Daily Report

East Europe

FBIS-EEU-92-015
Thursday
23 January 1992

Daily Report
East Europe

FBIS-EEU-92-015 *23 January 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTERNATIONAL AFFAIRS

'Visegrad Triangle' Considers Aid Program to CIS *[MTI]* 2
Skubiszewski, Dienstbier Comment *[PAP]* 2
Assistance Plan for CIS Described *[PAP]* 2
EC, Japan Respond Positively to Aid *[Budpaest Radio]* 3
Hungarian CSCE Delegate Views Regional Agenda *[NEPSZABADSAG 9 Jan]* 3

ALBANIA

Diplomatic Relations Established With Estonia *[Tirana Radio]* 5
Democratic Party Urges Recognition of Croatia *[ATA]* 5
Democrats Hail Macedonian Referendum Results *[Tirana Radio]* 5
Alia Congratulates Bulgaria's Zhelev *[Tirana Radio]* 5
Military Delegation Departs for Turkey *[ATA]* 5
Karoli Meets Turkish Military *[ATA]* 5
Army Organizes Food Aid Transport Operation *[ATA]* 6
Ahmeti Appeals to Oil Workers To End Strike *[Tirana Radio]* 6
Government Discusses Public Order Problems *[Tirana Radio]* 6
PSDSh's Gjinushi Speaks on Party Stands *[Tirana Radio]* 6

BULGARIA

Dimitrov on Macedonia Recognition Implications *[Skopje Radio]* 8
Brokers Hope for International Exchange Trade *[BTA]* 8
Parliament To Resume Foreign Debt Payments *[BTA]* 8
Kostov Denies Confrontation With Deutsche Bank *[PODKREPA 10 Jan]* 8
Iliescu To Visit; Treaty Signing Expected *[BTA]* 9
Zhelev, Dimitrova Sworn In at National Assembly *[Sofia Radio]* 9
Vulkanov, Vodenicharov Assess Elections *[Sofia Radio]* 9
DPS Hails 'Democratic' Victory *[BTA]* 10
'Third Political Force' To Provide 'Balance' *[BTA]* 10
Unifying Christian Democratic Congress Held *[Sofia Radio]* 10
KNSB Leader Refuses To Declare TU Property *[Sofia Radio]* 10
SDS Deputies Discuss Legislation With Cabinet *[BTA]* 10
SDS-Government 'Problems' Denied *[BTA]* 11
Order Signed to Confiscate BSP Headquarters *[Sofia Radio]* 11
Parliament Debates Property Restitution Bill *[BTA]* 11
Socialist Upbringing No Longer Obligatory *[BTA]* 11
Agriculture Receives Additional EC Aid *[BTA]* 11

CZECHOSLOVAKIA

Slovak Committee Rejects Constitutional Bill *[Prague Radio]* 13
Slovak National Council Views Territorial Division *[Bratislava Radio]* 13
Slovak Finance Minister Analyzes Deficit Problems *[HOSPODARSKE NOVINY 20 Jan]* 13
KDH Council Meets in Bratislava 18-19 Jan 14
Carnogursky Delivers Speech *[SLOVENSKY DENNIK 20 Jan]* 14
Members Issue Resolution *[SLOVENSKY DENNIK 20 Jan]* 15
Government Discusses 1992 Wage Regulation *[HOSPODARSKE NOVINY 17 Jan]* 16

Dienstbier Comments on Foreign Policy Issues *[LIDOVE NOVINY 17 Jan]* 17
Sudeten Germans Object to Joint Treaty *[Prague Radio]* 21
Deputy Minister Views Trade Accord With Russia *[Prague Radio]* 21

HUNGARY

Goncz Considers SFRY Borders Unchangeable *[MTI]* 23
Confirms Croatian, Slovene Recognition *[Budapest Radio]* 23
Ministers Jeszenszky, Silajdzic on Relations *[Budapest Radio]* 23
Fur Views Nation's Defense Policy, Tasks *[UJ MAGYARORSZAG 18 Jan]* 24
Former Official Views Army Restructuring *[NEPSZABADSAG 13 Jan]* 25

POLAND

Walesa on Revolution, Market Economy, FRG *[Hamburg DER SPIEGEL 20 Jan]* 27
Prime Minister Olszewski Reveals Political Plans *[TYGODNIK SOLIDARNOSC 10 Jan]* 29
New Agriculture Minister Jankowski Outlines Views *[RZECZPOSPOLITA 13 Jan]* 35

ROMANIA

Stolojan Chairs Meeting on Foodstuff Prices *[ROMPRES]* 37
PNL Leader on Electoral Prospects, Lack of Funds *[CURIERUL NATIONAL 17 Jan]* 37
Spokesman Answers Questions on Bosnia Talks *[ROMPRES]* 38
Free Trade Unions Leader Views Labor Contract *[ROMPRES]* 39
Labor Ministry Releases Data on Unemployment *[ROMPRES]* 40
'Continuity of Yugoslav State' Recognized *[Bucharest Radio]* 40
Nastase Seeks Hungarian Promise on Territory *[Budapest Radio]* 40

YUGOSLAVIA

Federal

Kostic: UN Troop Deployment Not To Be Hampered *[TANJUG]* 41
Reorganization of JNA, Military Districts Viewed *[VJESNIK 7 Jan]* 41
Article Discusses 1992 Federal Budget Details *[POLITIKA 30 Dec]* 43

Slovenia

DNEVNIK Reports Leaders' Expectations for 1992 *[30 Dec]* 44

Croatia

Government Ministers Hold News Conference 22 Jan *[Zagreb Radio]* 46
UN Officers Begin Talks With Slavonian Leaders *[Belgrade Radio]* 47
Leskovac Reports on Meeting *[TANJUG]* 47
Krajina Government Issues Statement on UN Plan *[Belgrade Radio]* 48
Army Protests JNA Cease-Fire Violations *[Zagreb Radio]* 48
Raskovic on Arrival of Peacekeepers in Krajina *[POLITIKA 7 Jan]* 48
Foreign Ministry Replies to Arbitration Commission *[VJESNIK 21 Dec]* 49
Separovic Discusses Future Foreign Missions *[VJESNIK 29 Dec]* 51
Bank Governor Views 'Monetary Independence' *[VJESNIK 29 Dec]* 52
Status of New Croatian Dinar Discussed *[VJESNIK 7 Jan]* 53

Serbia

Kosovo Party Calls for Unification of Albanians *[Belgrade Radio]* 54
SDA Leader Says Muslims To Seek Autonomy *[TANJUG]* 55
BORBA Reports JNA Reservist Mobilization *[21 Jan]* 55

Bosnia-Hercegovina

Baranja Territorial Defense Foresees 'No Peace' *[TANJUG]* 55
Truce Violations Reported in Hercegovina Region *[Belgrade Radio]* 55
SDS Leader Calls For Serbian Federation *[Belgrade Radio]* 56
Referendum 'Will Resolve Nothing' *[TANJUG]* 56
Democratic Action Party's Ajanovic on Referendum *[Belgrade Radio]* 56
Paraga Demands 'Aggressor' Withdraw From Bosnia *[Sarajevo Radio]* 57
Division of Republic Urged To Avoid Bloodshed *[NIN 27 Dec]* 58

Montenegro

Parliament Approves Public Debate on Sovereignty *[TANJUG]* 59

Macedonia

Republic's Withdrawal From Federation Discussed *[Belgrade Radio]* 59
Papers Claim Republic 'Rapidly Building' Army *[TANJUG]* 60
Bulgaria To Educate Officers *[Belgrade Radio]* 60
Gligorov, Bocka Discuss Interstate Cooperation *[Skopje Radio]* 60

Yugoslavia

Macedonia—TANJUG highlights reports published by POLITIKA and BORBA that the republic is "rapidly building up its own armed forces." BORBA writes that the Defense Ministry is "busily recruiting and mobilizing forces" and is counting on a future army with a strength of between 25,000 and 30,000 troops. POLITIKA has reportedly learned from "reliable sources" that "Bulgaria was given the task of educating the officers of the future Macedonian Army.

Croatia—Belgrade radio reports that talks in Erdut between UN liaison officers and members of the government of the Serbian region of Slavonia, Baranja, and Western Srem, were "very open and constructive" and the officers received guarantees that people of the region will "do everything in order to achieve peace." However, Vice President Mladen Hadzic told reporters that the "other side" is very aggressive and has "used truces to defeat us." Hadzic alleges that "Germany is behind this aggression...."

Serbia—The Belgrade daily BORBA reports that a mobilization of Yugoslav People's Army reservists continued throughout the weekend in response to the "regrouping of the Croatian military formations." The article cites the mobilization as evidence that the Serbian side is "not sitting with its arms folded."

'Visegrad Triangle'

Hungary, Poland, and Czechoslovakia presented a "plan of triangle assistance" for the Commonwealth of Independent States (CIS) at a Washington conference attended by some 47 countries, PAP reports. The program consists of Western financing for the supply of goods and services and urges Western nations to "remove the existing legislative barriers" to "facilitate" the program's implementation.

Czechoslovakia

Prague Radio reports that the Constitutional and Legal Committee of the Slovak National Council failed to approve the draft constitutional bill on the Czechoslovak Federation which "regulates the position of the federal government and the head of state."

Albania

Prime Minister Vilson Ahmeti met with striking workers of the Patos Oil and Gas Extraction Enterprise whose demands include improved performance by the forces of public order in Patos, Tirana radio reports. Ahmeti spoke about the previous day's Council of Ministers meeting which reviewed "a consistent amount of crime" in certain regions, including the theft of pharmaceuticals from hospitals. According to Tirana radio, Ahmeti called on "public order agencies from the ministry on down to tighten discipline" and "increase preventive measures and the capacity to strike back."

ATA reports that a special unit of the Albanian Army Transport, incorporated as the "Eagle" operation, has been designated to assist with the Italian-supported "Pelican" food distribution operation. Logistical support from the army is expected to accelerate the delivery of food aid to the populace.

'Visegrad Triangle' Considers Aid Program to CIS

LD2201124492 Budapest MTI in English 1053 GMT 22 Jan 92

[Text] Washington, January 22 (MTI)—Hungary, Czechoslovakia and Poland (the Visegrad Triangle) are keen to support the Commonwealth of Independent States with goods deliveries and consulting services financed by the West, Polish Foreign Minister Krzysztof Skubiszewski told MTI.

Czechoslovakian Foreign Minister Jiri Dienstbier said that in the Washington conference which is to start today the three countries would put forward motions for transforming the post-communist world. Hungarian Foreign Minister Geza Jeszenszky laid emphasis on the excellent cooperation between the three countries, and their total agreement.

After holding a meeting at the Czechoslovakian Embassy on Tuesday evening, the three ministers told MTI that they had agreed on the final text of a joint motion based on Hungarian ideas. The motion, to be presented to the participants on Wednesday, deals with assistance to the former Soviet Union in a broader context and the possible role of the Visegrad Triangle.

Jeszenszky told Hungarian correspondents that, in the absence of a general debate, the ministers will address special issues but they will always represent a common position. The Hungarian contribution will be centered on medical aid, the Czechoslovakian one on food supplies, and the Polish one on technical assistance.

Concerning the idea of deliveries financed by the West, Jeszenszky said, "it would be unfortunate if commodities stockpiled in, and frequently subsidised by other states, had the effect of squeezing out traditional East European suppliers from even the aid market of the Commonwealth of Independent States." The foreign minister added that the three countries, joint motions would also examine how to reshape the thinking of the new republics, citizens, including military officers and employees of the military industry, and how to retrain manpower.

The one-and-a-half day conference will be attended by representatives of 47 countries.

Skubiszewski, Dienstbier Comment

LD2201162292 Warsaw PAP in English 1332 GMT 22 Jan 92

[Text] Washington, Jan. 22—Foreign ministers of Poland, Czechoslovakia and Hungary agreed in Washington Tuesday evening on the text of a joint declaration on assistance for the former Soviet republics. The declaration presents a plan of "triangle assistance" programme to consist in the financing by the West of the supplies of goods and services from the three countries to Russia and the remaining 11 new independent states.

The declaration is to be distributed later today, at the start of a two-day international co-ordinating conference on assistance for the former Soviet republics and its full version was not made available to journalists yet. Polish Foreign Minister Krzysztof Skubiszewski, however, told reporters after his meeting with his Czechoslovak and Hungarian counterparts that the declaration refers to the idea launched for the first time by Czechoslovak Minister Jiri Dienstbier in May 1990 and later developed by the three countries.

Under the original Dienstbier plan, Western states were to provide the then USSR with credits totalling some 15 billion dollars for the purchase of industrial goods in Czechoslovakia, Poland and Hungary, while these countries were to spend the foreign currency earned in this way for the modernization of their industries.

Since the Soviet economy has collapsed and significant shortages of staple goods have emerged in the former USSR the "triangle operation" would become part of international humanitarian aid, and the West would pay for the supplies of Polish, Czechoslovak and Hungarian food, medicines, etc.

Geza Jeszensky, the Hungarian foreign minister, said that the EC countries are expected to become partners in the "triangle assistance" operation but the Washington conference is precisely to determine the "donors and whether (the three countries) can participate in the assistance programme on such principles".

Poland's Skubiszewski also declared that the three countries are ready to share their experiences gained in transition from the command to a market economy and introduction of democratic reforms.

The three ministers agreed their common stand on the questions which are [the] subject of the Washington conference and each of them will address the plenary debate on behalf of the three.

Assistance Plan for CIS Described

LD2201230892 Warsaw PAP in English 2248 GMT 22 Jan 92

[Text] Washington, Jan. 22—Foreign ministers of Poland, Czechoslovakia and Hungary issued here Wednesday a joint declaration on assistance to the former Soviet republics. The document presents a plan of "triangle assistance" programme to consist in the financing by the West of the supplies of goods and services from the three countries to the 12 new independent states. It also urges the Western countries to remove the existing legislative barriers to facilitate the implementation of the programme.

The declaration was distributed at the start of a two-day international co-ordinating conference on assistance to the former Soviet republics, attended by a Polish delegation headed by Foreign Minister Krzysztof Skubiszewski. It refers to the idea launched for the first time by Czechoslovak Minister Jiri Dienstbier in May 1990 and later developed by the three countries.

"Our countries are ready to take part in any bilateral and multilateral action program through which goods produced in our countries, services, technical know-how and experience gained in the transition period reach

safely the recipients in the new independent states under adequate financial arrangements," the declaration reads.

Since the Soviet economy has collapsed and significant shortages of staple goods have emerged in the former Soviet Union, the triangle operation would become part of international humanitarian aid, and the West would pay for the supplies of Polish, Hungarian and Czechoslovak food, medicines, etc.

"In the triangular operations priority should be given to the supply of goods and services relying on Western financing by these countries to the former Soviet Union," the document states.

"In elaborating the principles, guidelines, logistic and financial backing for the assistance programme the legitimate economic and trade interest of the fragile Central and East European states should be taken into account. Our problems can be even aggravated if assistance programs, whatever their good intentions, have the effect of wiping out the largely diminished, but still remaining trade possibilities, if products of our countries are displaced by commodities provided by other suppliers under aid package," the three ministers warned.

Addressing the Washington conference late on Wednesday Skubiszewski said that the Polish Government earmarked nearly 1 million dollars from its reserves for emergency humanitarian aid to the former Soviet republics.

The solution proposed by the triangle would not only augment the aid as such, but also help boosting the ailing economies of the Central European countries, he underlined.

Secretary of State in the Polish Ministry for Foreign Economic Relations Andrzej Olechowski who took part in the debate of a working group of the conference described Poland's experience in using foreign assistance in reforming national economy, and presented proposals that can be used in preparing aid programmes for the former Soviet republics.

EC, Japan Respond Positively to Aid

LD2301105392 Budapest Kossuth Radio Network in Hungarian 0700 GMT 23 Jan 92

[Excerpts] Representatives of the European Community and Japan support the Hungarian-Czechoslovak-Polish proposal according to which developed countries should finance deliveries of food, medicine, and other products of the three countries to the successor states of the Soviet Union. Foreign Minister Geza Jeszenszky reported this after the first day of the international aid conference in Washington.

As he said, foreign ministers of the three countries represented the stand of the other two as well. Participants have noticeably turned their attention to the joint action. For example, German Foreign Minister Genscher called attention to the fact that Central European countries could take part in building homes in the Soviet Union, since the capacity of their constructing industry is underutilized. This shows that the conference is practical and is concentrating primarily on the near future. [passage omitted]

As the Hungarian foreign minister remarked, a new world does not have to be created on this one-sixth of the world, but people have to saved and a way out has to be sought. [passage omitted]

Hungarian CSCE Delegate Views Regional Agenda

AU1501151992 Budapest NEPSZABADSAG in Hungarian 9 Jan 92 p 3

[Interview with Hungarian Ambassador to Czechoslovakia Istvan Gyarmati by Tibor Kis in Prague; date not given: "Ambassadorial Statement on the Prague Conference—Effectiveness or Compulsory Consensus"]

[Text] The governmental delegations of the CSCE countries gathered for a three-day expert conference in the Foreign Affairs Ministry in Prague on 8 January. According to the preliminary announcement, the issues of preparing for the CSCE foreign ministers' meeting at the end of January will be discussed at the closed meeting. Our Prague correspondent asked Istvan Gyarmati, leader of the Hungarian delegation, on Hungary's expectations.

[Kis] What are the actual contents of the word "preparation" used in the official announcement?

[Gyarmati] Basically, we are preparing the document of the foreign affairs ministers' meeting now. These relate to the development of CSCE institutions and conflict handling mechanisms.

[Kis] In this respect, as Hungarians, what should we pay special attention to?

[Gyarmati] Obviously, one of these topics is the development of the CSCE's conflict management ability. The other is the outlining of some kind of "trend" for the follow-up meeting in Helsinki.

[Kis] In recent months, it has often been suggested that the CSCE should give up its decision-making mechanism based on consensus. Is this possible?

[Gyarmati] This means that, as an exception, the CSCE gives up the principle of consensus in a very well defined case. Nevertheless, it is unlikely for the CSCE to discard consensus and change over to a majority decision in all issues.

[Kis] When would it be possible to leave consensus aside?

[Gyarmati] In cases of conflicts, the consent of the immediately affected country would not be needed for making a decision. Therefore, the countries of the Helsinki process could bring certain measures without the consent of the affected country.

[Kis] What other issues are on the agenda?

[Gyarmati] We have to decide who will inherit the place of the Soviet Union in the CSCE. In addition, many of us think that the mandate of the Yugoslav delegation should also be examined to find out exactly whom this delegation represents. This latter issue is part of the group of Yugoslav problems and we probably will not really have to discuss it at length because the United Nations peacekeeping forces will have been sent. On the other hand, the shooting down of the observers' helicopter on 7 January will probably heat up this issue.

Diplomatic Relations Established With Estonia

AU2101201692 Tirana Radio Tirana Network in Albanian 1900 GMT 21 Jan 92

[Text] Based on a desire to develop relations and mutually beneficial cooperation with respect for international norms and principles, the Government of the Republic of Albania and the Government of the Republic of Estonia have agreed to establish diplomatic relations.

Democratic Party Urges Recognition of Croatia

AU2001150992 Tirana ATA in English 0958 GMT 20 Jan 92

[Text] Tirana, January 20 (ATA)—The Democratic Party [DP] hails the recognition of the Republics of Croatia and Slovenia on the part of the European Community. This act serves the gradual solution of the crisis in former Yugoslavia and contributes to the realisation of the right of the peoples for self determination. I voice the conviction that such a stand will hinder Belgrade which has been in the meantime transformed into the communist capital of Europe, to realise its ominous plans towards the Albanians in Kosovo and other territories of the former Yugoslavia. I am also optimistic that the 12 group will consider the Albanian question in that country and will recognise the Republic of Kosovo.

The DP demands from the Albanian Government to recognize and establish relations as soon as possible with the Slovenian and Croatian Republics and to work in all directions so that the Republic of Kosovo be recognized by others as well.

Democrats Hail Macedonian Referendum Results

AU2001203292 Tirana Radio Tirana Network in Albanian 1900 GMT 20 Jan 92

[Text] The Democratic Party, a declaration by its chairman Dr. Sali Berisha states, hails the results of the referendum of Albanians in Macedonia and expresses its support for their legitimate demands. The results of the referendum show that almost all Albanians living in this republic, who make up about 40 percent of its population, urged respect for all their national, political, and cultural rights. The political and territorial autonomy they demand is in accordance with the principles and rights sanctioned by the documents of the CSCE.

We express the conviction, the declaration states, that Europe and the United States must and will show their support in this instance for the application of the right of peoples to self-determination. No repetition of the scenario of 1913, when Albanian territories were tragically partitioned, may be allowed in the era of hope, democracy, and justice that the final fall of communism in Europe inaugurated.

Alia Congratulates Bulgaria's Zhelev

AU2201205692 Tirana Radio Tirana Network in Albanian 1900 GMT 22 Jan 92

[Text] Ramiz Alia, president of the Republic of Albania, has sent the following telegram to Zhelyu Zhelev, president of the Republic of Bulgaria:

On the occasion of your election to the high post of president of the Republic, I have the pleasure of sending you my sincere congratulations and best wishes for your success in performing this highly responsible duty to the good of the Bulgarian people. I avail myself of this occasion to express the conviction that the traditional relations of friendship and cooperation that happily exist between our two friendly countries will further develop in the future to the benefit of the Albanian and Bulgarian peoples and of peace, cooperation, and understanding in the Balkans and Europe.

Military Delegation Departs for Turkey

AU2001150792 Tirana ATA in English 0911 GMT 20 Jan 92

[Text] Tirana, January 20 (ATA)—At the invitation of the General Staff of the Army of the Republic of Turkey, a high-ranking military delegation headed by the chief of the General Staff of the Army, General-Major Kostaq Karoli, left on an official and friendly visit to the Republic of Turkey.

Karoli Meets Turkish Military

AU2201195992 Tirana ATA in English 1021 GMT 22 Jan 92

[Text] Tirana, January 22 (ATA)—The senior Albanian military delegation led by General-Major Kostaq Karoli arrived on a working and friendly visit to the Republic of Turkey. At the "Esenboga" Airport it was welcomed by the chief of the general staff of the Turkish Army, Army General Dogan Gures and other major officers of the Armed Forces of the Republic of Turkey. Present was also the ambassador of Albania in Turkey, Ismail Lleshi.

On January 20, our delegation was received by Army General Dogan Gures and conducted talks with cadres of the staff of the Turkish Army. The members of the two delegations exchanged opinions on the further materialisation of cooperation and exchange of experience in the military field.

Further on, the chief of the General Staff of the Albanian Army, General-Major Kostaq Karoli was received by the minister of defence of the Republic of Turkey, Nevzat Ayaz, with whom he had a warm and friendly talk. Both parties voiced the readiness for the further development of the friendly relations between our two peoples and Armies.

The visit of our military delegation continued in the General Staff of the Land, Air and Sea Military Forces,

where the delegation was received and had warm and friendly talks with the senior leaders of these forces.

In honour of our military delegation led by General-Major Kostaq Karoli, vice-chief of the general staff of the Turkish Army Muhiltin Fisungok [name as received] gave a dinner.

Army Organizes Food Aid Transport Operation

AU2201195192 Tirana ATA in English 1027 GMT 22 Jan 92

[Text] Tirana, January 22 (ATA)—Recently, a special unit of the Albanian Army Transport, included in the "Eagle" Operation was created to face the distribution of the contigents of food article aid, alongside the "Pelican" Operation realised with Italian means. This operation has extended its activity increasing in this way the logistic basis for the fast rate distribution of the food articles in all the districts of Albania.

The contribution of "Eagle" Operation is apparent and the goods transport parks in the districts should ever better respond with good work of its members.

Ahmeti Appeals to Oil Workers To End Strike

AU2201205292 Tirana Radio Tirana Network in Albanian 1900 GMT 22 Jan 92

[Text] At lunch today Premier Vilson Ahmeti met representatives of the Independent Trade Unions of Oil and Gas Workers and the striking workers of the Patos Oil and Gas Extraction Enterprise.

They outlined the difficult situation in the oil-producing regions and the demands of the striking workers, which include: concluding investigations into the murder of one worker and wounding of another in the Patos area; declaration of the oil region as one of special importance; and better performance by the forces of public order in the Patos region.

After listening to the demands, Ahmeti said that their concern is justified and promised that every measure will be taken to meet these demands. The prime minister talked about yesterday's meeting of the Presidium of the Council of Ministers and the measures taken at the meeting. He told the workers that the government has created a working group to plan and enforce concrete measures to stabilize law and order in the oil region. The group includes representatives of the Public Order Ministry, the Ministry of Mining and Energy Resources, the Defense Ministry, and the District Executive Committee. Ahmeti appealed to those at the meeting to end the strike, as continuing it would entail serious consequences for the economy in general and the oil and gas installations in particular.

Government Discusses Public Order Problems

AU2201203892 Tirana Radio Tirana Network in Albanian 1900 GMT 22 Jan 92

[Text] The Presidium of the Council of Ministers held an extended meeting yesterday afternoon, chaired by Prime Minister Vilson Ahmeti. The meeting analyzed certain disturbing public order problems and prescribed concrete measures to alleviate them.

The Presidium meeting concentrated in particular on the situation that has arisen in the oil- and gas-producing areas, where thefts and abuses have recently become troublesome, with cases of the forced seizure of economic and sociocultural installations by groups of individuals and former proprietors, and a consistent amount of crime in these areas. The meeting also considered the public order situation in the hospitals, especially in Tirana.

There have been a number of cases in the Fier, Diber, and Kruje districts where individuals and former proprietors have occupied economic installations. There are acute problems in the health sector, where pharmaceuticals and hospital equipment have been stolen. Despite some changes in recent days, proper order has not been established in Tirana hospitals.

Crime continues to be a disturbing problem in the districts that were analyzed.

At the end of the meeting, the prime minister analyzed the conclusions and stressed various priorities. He demanded that public order agencies from the ministry on down to tighten discipline and perform their duties to the population with dedication. He said that the way to establish public order and calm is to increase preventive measures and the capacity to strike back. This is the only way to increase the authority of the public order agencies and fulfill the people's hopes for stability. The prime minister stressed the need for consistent laws enforcement. Strict enforcement is not a threat to democracy, but establishes and strengthens the lawfully governed state that all honest citizens want. The prime minister instructed the public order and justice agencies to coordinate their work and not hinder each other, as has happened in some cases. It is particularly necessary to control and prevent illegal possession of weapons.

PSDSh's Gjinushi Speaks on Party Stands

AU2101210792 Tirana Radio Tirana Network in Albanian 1430 GMT 21 Jan 91

[Sokol Perihati report]

[Text] Professor Skender Gjinushi, chairman of the Albanian Social Democratic Party [PSDSh], gave a news conference today in one of the halls of the Palace of Culture in Tirana. The news conference mainly covered his recent visit to Germany at the invitation of the German Social Democratic Party, the problem of the elections, and other current issues.

Mr. Gjinushi said at the start of the conference that his visit to Germany was successful. He mentioned his meetings with leaders of the German Social Democratic Party, his meeting at the Bundestag with 237 Social Democrat deputies, and especially his meeting with the eminent Willy Brandt, who is secretary general of the Socialist International. At this meeting, Willy Brandt once again confirmed his support for the PSDSh's admission as a fully-fledged member at the Socialist International's next meeting. He also approved of the cooperation between the PSDSh and the democratic opposition and its opposition to the former communist party. Gjinushi said that the PSDSh delegation had thanked Mr. Willy Brandt for his contribution toward the admission of the PSDSh as an associate member of the Socialist International's Managing Committee.

Mr. Gjinushi also said in his speech that we found full support for the Albanian cause at the meeting we had in the German Bundestag. It was confirmed once again that Germany will make a still greater contribution to helping Albania within the Group of 24. For our part, we thanked distinguished German personalities for Germany's objective attitude to the question of the Albanian nation and her aid to Albania.

Regarding the obfuscation created by the statement by the Socialist Party leaders about the PSDSh's admission to the Socialist International, Dr. Skender Gjinushi said that the Socialist Party should be better informed about the admission procedure to the Socialist International and should clarify its own position. The Hungarian Social Democratic Party, Mr. Gjinushi said, was expelled from the Socialist International because it was observed to include traces of fascism. The main criterion for admission to this organization is therefore the Socialist Party's stand in the struggle against communism and its commitment to genuine democracy. Thus, for example, the Bulgarian or U.S. Social Democratic Parties are not represented in parliament, but are nevertheless members of the Socialist International. The Socialist Party is internationally isolated, as is shown by the fact that it has not been invited to any of the meetings or activities of left-wing political forces in Central and East Europe. For instance, there is a meeting of this kind in the CSFR today, to which representatives of all the countries of the East, including the PSDSh, have been invited. The Albanian Socialist Party is the sole party not to be invited. Therefore, a Socialist Party victory in the elections will mean a new isolation for Albania.

As for the problem of the imminent elections, Mr. Skender Gjinushi said that for us the main thing is that the new parliament should first be genuinely pluralist and second dominated by the democratic opposition. This would be a very good thing for Albania, because our alliance with the democratic right would open both paths for Albania, the left and the right. As for the election date, Mr. Gjinushi said that we hold the view that the elections should be held without fail in February or March this year. He also expressed the desire that the elections should be genuinely democratic, although they will be in no sense equal.

In connection with the position of the PSDSh in relation to the Socialist Party, Dr. Gjinushi replied that, as long as the Socialist Party is the Albanian Workers Party, we will be in outright opposition to it. The reasons for this are its composition, from the top down, and the neocommunist attitudes it has maintained not only in the past but today, too.

Asked about the size of the PSDSh's membership, Mr. Gjinushi said that at the time of our application for admission to the Socialist International we had about 15,000 members, while we have about 25,000 members in our ranks today.

Asked what is the difference between the PSDSh and the Socialist Party, Mr. Gjinushi said that it is difficult to find any point of resemblance.

In connection with the PSDSh's stand after the declaration of Mr. Papandreou's innocence, Mr. Gjinushi said that we have very good relations with the Greek PASOK [Panhellenic Socialist Movement] and Papandreou himself. We are glad that he has been declared innocent. We see the PASOK as our closest ally in Greece.

Mr. Gjinushi also replied to other questions from journalists.

Dimitrov on Macedonia Recognition Implications

AU2201215392 Skopje Radio Macedonia Network in Macedonian 2100 GMT 22 Jan 92

[Text] Bulgarian Prime Minister Filip Dimitrov has told Macedonian radio that the recognition of the Republic of Macedonia is an expression of Bulgarian foreign policy's permanent positions concerning the recognition of peoples' right to self-determination. Moreover, Prime Minister Dimitrov pointed out that in the case of Macedonia, recognition is also an expression of the Bulgarian Government's categoric denial of territorial designs (?on any of its neighbors).

In an interview granted to our editor Blagoja Stoilkoski, speaking about the aggravation of relations between Bulgaria and Greece because of the recognition of the independence of the Republic of Macedonia by the Bulgarian Government, Prime Minister Filip Dimitrov said the following: We have nothing to [word indistinct] with Greece and we are of the opinion that even if the Greek Government does not agree with various steps of ours, this should not threaten the development of our relations.

Brokers Hope for International Exchange Trade

AU2201190992 Sofia BTA in English 1840 GMT 22 Jan 92

[Text] Sofia, January 22 (BTA)—The Open Market Consortium wants to lay the foundations of international exchange trade together with the participants in a three-day business forum organized by the consortium. Presidents and brokers of the Moscow, Crimean and Tbilisi Commodity Exchanges, of the Russian Raw Materials Exchange, of the Moscow-based East European Exchange and the Bomus Brokerage House of Poland's Commodity Exchange are discussing merchant law issues, customs regulations and bank operations. The restoration of trade contacts disrupted by the political changes in the East European countries, Mr. Aleksandur Danailov, president of the Open Market Consortium, told a news conference today.

The exchanges of the Commonwealth of Independent States and of Bulgaria are making arrangements to start sending their bulletins by electronic mail. The Crimean Exchange has promised to give access to the commonwealth's markets. There are plans to set up a Black Sea Exchange. For their part, Bulgarian brokers will offer to mediate business contacts with the Middle East.

"The Open Market Commodity Exchange has more than 300 shareholders, we will try to increase their number to 1,000," said Mr. Konstantin Ploshtakov, the exchange's director. It has sold everything from christmas trees to trucks and buses at its sessions. Attracting a maximum of producers and merchants, the Open Market Exchange registered optimum well-balanced prices, seen by the founders of the exchange as their greatest contribution to the normalization of the economy. All businessmen reckon with the prices which are agreed upon at the sessions, Mr. Danailov said.

Parliament To Resume Foreign Debt Payments

AU2301093392 Sofia BTA in English 0846 GMT 23 Jan 92

[Text] Sofia, January 23 (BTA)—Parliament will soon adopt a special decision authorizing the government to hold negotiations and conclude agreements on settling Bulgaria's foreign debt. This refers to foreign trade bank liabilities on credits granted under intergovernmental agreements or guaranteed by foreign government institutions or credits extended by foreign commercial banks.

The foreign debt problem has remained unsolved for two years now. Under a moratorium imposed by the government of ex-premier Andrey Lukanov on March 29, 1990 the Bulgarian Foreign Trade Bank suspended debt payments thus putting Bulgaria in a foreign economic isolation. The adoption of a new Constitution and the political stabilization in the country created favourable institutional and political conditions for solving the debt problem. Under the Constitution parliament should approve all state-loan agreements. Today parliament will discuss the problem of giving government a mandate to hold negotiations with creditor banks and sign agreements on the foreign trade bank debts.

Parliament authorizes the government to transform Bulgaria's obligations into loan agreements with foreign financial institutions and to issue state securities provided an agreement is reached on a substantial reduction of the country's debt, long-term rescheduling and a grace period that will enable Bulgaria to stabilize its balance of payments, it is said in the draft decision.

Kostov Denies Confrontation With Deutsche Bank

AU2101092092 Sofia PODKREPA in Bulgarian 10 Jan 92 pp 1, 2

[Statement by Finance Minister Ivan Kostov, "recorded by Rumyana Mikhova"; place and date not given: "There Is No Confrontation Between the Government and the Deutsche Bank"]

[Text] In our issue of 9 January we carried a part of the DEUTSCHE WELLE commentary on relations between the government and Deutsche Bank related to repaying our foreign debt. This is the answer of Finance Minister Ivan Kostov, which he gave especially for PODKREPA:

I do not think that the letter sent by the Deutsche Bank represents an ultimatum to the Bulgarian Government in connection with guarantees for our foreign debt. However, it is true that Bulgaria has lost its prestige in international financial circles. This had already happened in 1990. Bulgaria really lost prestige, but this was connected with the moratorium. We hit rock bottom. This is the lowest point beyond which nothing could be lost any longer. In fact, we are incapable of paying our

debts. The country has practically declared bankruptcy, because we cannot pay. The situation became tense because of the fact that the previous government did not conclude an agreement with the bank creditors, but on the other hand, it did not have the political right to do so. The Constitution turned Bulgaria into a parliamentary republic and since then decisions on such agreements must be adopted with the consent of the National Assembly. During the summer, when political instability reigned and it was clear that the country was marching toward collapse, the government could not turn to the National Assembly, because there practically was no National Assembly. Thus, the issue of concluding an agreement was transferred to the present government. It is completely correct on the part of the banks to demand such an agreement, and indeed, we ourselves want it.

We are prepared to give guarantees if there is a signed agreement that specifies a clearly defined commitment. We said this dozens of times. It is impossible to give a guarantee without an agreement, i.e., without a reciprocal commitment on the part of the banks. This would mean signing a blank paper.

In our circles there were contradictions between two groups of people. I want this to be published, if possible. The first group maintained that the issue of the guarantees by all means had to be connected with signing an agreement. The other group thought that the guarantees could be given even without an agreement.

Both I and Mrs. Mariyana Todorova belong to the first group. The press incorrectly created the impression that Mrs. Todorova wants to give guarantees without an agreement. This does not correspond to the truth. It is incorrect to present the situation as a confrontation between Mrs. Mariyana Todorova and the government, as if she wants guarantees, while the government does not want them. Furthermore, it is incorrect to seek a confrontation between the government and the Deutsche Bank. There is no confrontation, regardless of how strange this appears to the journalists, who are used to thinking along bipolar lines—somebody must quarrel with somebody else. It is not like this. There simply are two sides that insist on resolving the issues. I hope that it will be resolved through a compromise, by signing an agreement.

In January representatives of the bank creditors, including the Deutsche Bank, will come to Bulgaria. At the meeting we will coordinate certain details, specify precisely what steps should be adopted, and begin our work. DEUTSCHE WELLE assesses the aid Bulgaria received in 1991 at $500 million. In fact it was about $630 million. The budget deficit is precisely within the framework of what was envisaged, i.e., about 8.5 billion. If DEUTSCHE WELLE means the total deficit, which also includes our foreign payments, it must be pointed out that on the basis of the "roll-overs" that have been agreed upon such payments cannot be carried over from one year to another, thus they cannot figure in the total deficit. This means that the figure quoted by DEUTSCHE WELLE is incorrect. But then, every journalist can write whatever he wants.

Iliescu To Visit; Treaty Signing Expected

AU2201103392 Sofia BTA in English 0956 GMT 22 Jan 92

[Text] Sofia, January 22 (BTA)—Romania's President Ion Iliescu will visit Bulgaria January 27 at the invitation of Bulgaria's President Dr. Zhelyu Zhelev. They are expected to sign a new treaty on goodneighbourliness, friendship and cooperation between the Republic of Bulgaria and Romania.

Zhelev, Dimitrova Sworn In at National Assembly

AU2201134492 Sofia Khorizont Radio Network in Bulgarian 1422 GMT 22 Jan 92

[Text] [Announcer] Dear Listeners, we interrupt the program and switch to the National Assembly, where the newly elected president and vice president, Dr. Zhelyu Zhelev and Blaga Dimitrova are to be sworn in.

Mr. Stefan Savov, National Assembly chairman, has just read two certificates issued by the Central Election Commission, according to which Zhelyu Zhelev and Blaga Dimitrova, proposed by the Union of Democratic Forces, have been elected president and vice president of the Republic of Bulgaria respectively. All ministers are in the National Assembly hall.

At this moment the National Assembly members greet Zhelyu Zhelev and Blaga Dimitrova, who have just been asked the enter the hall, with applause.

[Stefan Savov] According to Article 96 of the Bulgarian Constitution, the president and vice president must be sworn in at the National Assembly. Esteemed Mr. President, esteemed Mrs. Vice President, please repeat the oath after me: I swear in the name of the Republic of Bulgaria to observe the Constitution and the country's law. In all my actions I will be led by the interests of the people. Hereby I take the oath. [Zhelev and Dimitrova repeat together the words of the oath]

[Announcer] Dear listeners, according to a preliminary agreement between the parliamentary factions, there will be no speeches, and the National Assembly is already continuing with its agenda. Therefore, we return to our scheduled program from the studio.

Vulkanov, Vodenicharov Assess Elections

AU2301152792 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 23 Jan 92

[Text] At their final news conference in Sofia, Velko Vulkanov and Rumen Vodenicharov gave their assessment of the election campaign, of the elections themselves and outlined their own views on the prospects for Bulgarian society.

Once again, they stressed that the election results mean a genuine reversal of public awareness for them. They expected a reform of this awareness, which would lead to a shift in the forces in society and public life.

Both of them stressed that they were not retiring from political life. Mr. Vulkanov remains in parliament to defend the interests of his voters. Rumen Vodenicharov stated his intention of becoming one of the initiators, together with the Fatherland Party of Labor, of the establishment of a common democratic front, the Movement for the Defense of Democracy. The main aim of this movement is expected to be the establishment of a genuine correlation between form and contents where the concept of democracy is concerned, Mr. Vodenicharov stressed.

Mr. Vodenicharov remarked that the couple made a serious mistake in the second round by failing to unite the electorate of Messrs. Ganchev and Sendov.

Rumen Vodenicharov and Velko Vulkanov identified the economic structures of the EC as being the most important, and stressed that we must try to join them. They did not see any chance of this happening at the moment. Integration within the political structure of the community, they stressed, does not guarantee Bulgaria a real future or movement in its economy

DPS Hails 'Democratic' Victory

AU2301094792 Sofia BTA in English 0924 GMT 23 Jan 92

[Text] Sofia, January 23 (BTA)—In an interview for "DEMOKRATSIYA '91," Mr. Ivan Palchev, spokesman for the ethnic Turks' Movement for Rights and Freedoms (DPS), says he is pleased with the results of the presidential elections "because the democratic trend in Bulgarian politics won a victory."

Answering a question, Mr. Palchev denies the propaganda argument that the election results made President Zhelev a "hostage of the DPS." The ethnic Turks' movement is once again a stabilizing factor in this country's democratization, Mr. Palchev says, adding that Bulgaria is the only country unaffected by the ethnic explosions thundering across eastern Europe.

Mr. Palchev describes as "hypothetic, the possibility for political developments in Bulgaria similar to those in Algeria under the influence of pan-Turkism and Islamic fundamentalism. "It depends on us, Bulgarians, whether our Turkish compatriots will feel more like Bulgarian citizens in the future or whether they will be repelled and the sense of belonging to a different ethos will take the upper hand," Mr. Palchev said.

'Third Political Force' To Provide 'Balance'

AU1801204892 Sofia BTA in English 1904 GMT 18 Jan 92

[Excerpts] Sofia, January 18 (BTA)—[Passage omitted]

Mr. Petur Manolov and his associates announced at a news conference today the formation of a third political force in Bulgaria called, for the time being, "Cry for Salvation." The idea is to act as a balance between the two major political forces: the Union of Democratic Forces and the Socialist Party. [passage omitted]

Unifying Christian Democratic Congress Held

AU2001195992 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 20 Jan 92

[Text] A unfiying congress of the Bulgarian Christian Democracy was held in Sofia today. The newly founded union is called Salvation Christian Democratic Association and accepted a new Christian Democratic Party, namely the Free People's Party and the Salvation Christian Union. Father Khristofor Subev was elected honorary chairman. Petur Kunev and Violeta Mileva were elected chairmen.

KNSB Leader Refuses To Declare TU Property

AU2001194892 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 20 Jan 92

[Text] The final deadline for the declaration of property by political parties and organizations, in accordance with the recently adopted law related to the restoration of illegally acquired property by political party and organizations, expired only a few minutes ago, namely at 1800 [1600 GMT] today.

Krustyu Petkov, leader of the Confederation of Independent Trade Unions in Bulgaria, officially announced his refusal to submit the declaration in question, basing himself on the observance of constitutional stipulations and on the norms of International Law which, which in his opinion, do not admit the confiscation of trade union property.

SDS Deputies Discuss Legislation With Cabinet

AU2101211692 Sofia BTA in English 2017 GMT 21 Jan 92

[Text] Sofia, January 21 (BTA)—Today the parliamentary group of the Union of Democratic Forces [SDS] held a sitting with the government to consider the group's legislative activity and the problems of parliamentary control on the cabinet.

Mr. Aleksandur Yordanov, floor leader of the SDS parliamentary group, said in the "Khorizont" programme of the national radio that the application of the Totalitarian Organizations' Property Act was also on the agenda. The sitting discussed the bill amending the Land Act, the acceleration of the land restitution and the privatization bill worked out by the SDS.

SDS-Government 'Problems' Denied

AU2201080392 Sofia BTA in English 2130 GMT 21 Jan 92

[Text] Sofia, January 21 (BTA)—Today the parliamentary group of the Union of Democratic Forces held a session with the government to discuss the group's legislative activity and the problems of parliamentary control on the cabinet.

There are no problems between the parliamentary group and the government, Mr. Aleksandur Yordanov, floor leader of the UDF [Union of Democratic Forces] parliamentary faction, said reacting to some press conjectures. According to some MP's "the more rigorous requirements" set on the cabinet concerned not the nature, but the pace at which the cabinet carries out its activity.

The problem of Bulgaria's foreign debt was also considered. These days the parliamentary majority is expected to present a draft resolution on the problem.

At the four-hour-long talks the UDF parliamentary group and the cabinet debated the application of the Totalitarian Organizations' Property Act, the bill amending the Land Act, the acceleration of the Land Restitution and the Privatization Bill worked out by the UDF.

Minister of Finance Ivan Kostov explained for the MP's that the property of totalitarian parties and organizations liable to confiscation will revert to the state on the basis of respective inventories, which excludes any possibility of concealing property.

Order Signed to Confiscate BSP Headquarters

AU2201183992 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 22 Jan 92

[Text] This afternoon Finance Minister Ivan Kostov signed two orders. The first relates to the confiscation of the headquarters of the Bulgarian Socialist Party [BSP], and the second relates to the building owned by the Antifascist Union at 20 Positano Street in Sofia. Both orders will be handed over personally to the leaders of the BSP and the Bulgarian Antifascist Union. The sealing of the BSP headquarters will commence tomorrow. For this purpose, a superintendent has been appointed for the building. Representatives of the State Properties Administration of the Ministry of Finance gave the above information to our reporter.

Parliament Debates Property Restitution Bill

AU2201181392 Sofia BTA in English 1747 GMT 22 Jan 92

[Text] Sofia, January 22 (BTA)—Parliament passed on first reading today a bill on the restitution of property expropriated by the communist regime under several acts. This is the second out of three bills on restitution introduced in parliament by MP's of the Union of Democratic Forces.

Several thousands of Bulgarians will have their real property back after the expected passage of the act next week. The real property in question had been expropriated because of the planned development of population centres, which often violated scientific criteria or the Territorial and Urban Development Act. The property act envisaged expropriation of buildings for special state needs. However, many of them have not been used for this purpose and will be reverted to their owners. Under the new legislation, restitution will be effected within six months.

Socialist Upbringing No Longer Obligatory

AU2201184992 Sofia BTA in English 1803 GMT 22 Jan 92

[Text] Sofia, January 22 (BTA)—Parliament passed amendments to the Family Code today. Bulgarians are no longer obliged to raise their children according to the norms of the "socialist morality" nor to prepare them for "active participation in socialist construction." Formulations such as "September 9 Socialist Revolution," "Leninist April course," (the April course was mapped out at a plenum of the Bulgarian Communist Party at which Todor Zhivkov strengthened his positions) the "leading role of the Bulgarian Communist Party," "the April Course to ensure happy family life" have been erased from the Family Code. "The socialist legal order has never been and cannot be a guarantee of the happiness and well-being of the individual," according to the MP's of the Union of Democratic Forces, who submitted the bill.

Under the amendments passed today a transcript of the court's ruling for divorce will no longer be sent to the place of work of the divorcees. During the communist regime this was done in order to administer a kind of "moral justice." It was a way of censuring divorced people.

Under the Family Code amendment divorced parents are obliged to provide alimony for their children even after their coming of age provided they continue their studies as full-time students at institutes of higher and semi-higher learning. The amendment adopted today stresses that such an alimony will be paid provided it does not create severe financial problems for the parents.

Agriculture Receives Additional EC Aid

AU2201184692 Sofia BTA in English 1758 GMT 22 Jan 92

[Text] Sofia, January 22 (BTA)—The Bulgarian Government will be granted an additional 25 million Ecu [European currency unit] for the development of agriculture within the framework of PHARE programme, its expert, Mr. Stewart Campbell, told Bulgarian and Greek businessmen today. He said that the first part of the programme, for which Bulgaria received 14 million ECU, had been successfully completed. The grant was used for purchasing seeds, fodder, veterinary products

and polymer materials. The realization of a project in the sugar industry has also started.

The programme for this year envisages urgent measures in banking, trade and crediting. 17 million ECU have been earmarked for equipment and 5 million for the realization of restitution. Bulgaria will also be assisted in the establishment of a database in agriculture. The level of education in this field will also be studied. The programme provides for the establishment of demonstration farms.

Slovak Committee Rejects Constitutional Bill

LD2301001592 Prague Stanice Ceskoslovensko Radio Network in Czech 2200 GMT 22 Jan 92

[Text] The draft constitutional bill on the Czechoslovak Federation, which regulates, among other things, the position of the federal government and the head of state, did not get through during voting by the Constitutional and Legal Committee of the Slovak National Council. The committee recommended to the Slovak parliament that the Czechoslovak constitution be adopted on the basis of a joint draft of its principles that will be contained in a treaty between both republics.

Slovak National Council Views Territorial Division

LD2201181292 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 21 Jan 92

[Excerpts] Today, the Slovak National Council Presidium is meeting. It was assumed that the session would discuss which of the two alternatives Slovakia will choose after the talks between representatives of the Czech and Slovak national councils last Friday [17 January] in Prague. In the studio I have reporter Magda Pospisilova, who returned from the Slovak parliament a while ago. What has been happening there?

[Pospisilova] So far, the Presidium has not answered the question you just mentioned. Up to now, it has assessed 118 nominations for new judges of the Slovak Republic, and the procedure for new territorial division of Slovakia. The information on this second issue was submitted by Jozef Danco and Ladislav Pittner, Ministers [of finance and interior] of the Slovak Republic. As there has so far been no break in the debate, I have been given unofficial details by Ivan Carnogursky [first deputy chairman of the Slovak National Council] who came out of the conference room for a moment.

Deputy chairman, what conclusion has the presidium come to regarding the territorial division of the Slovak Republic?

[Carnogursky] We have stayed with what was worked out previously. We think that if the new system is to be ready for the next local [komunalni] election, it will need to be discussed earlier than at the end of 1993. We do know, however, that the decision is academic, because as one of its first measures taken in accordance with its program submitted to the parliament, the new parliament and government will adopt a stance of its own. At the moment, it is just an idea for development.

[Pospisilova] Finance Minister Danco told me before going in that the Slovak Government maintains that financial means do not permit such a solution?

[Carnogursky] So far, no alternative has been or is now being decided. It is a matter for the plenum of the Slovak National Council. We are discussing a report on how to proceed. [passage omitted]

[Pospisilova] What was the stance of the finance minister then?

[Carnogursky] He submitted an interim report on how the change is being outlined and prepared; he himself proposed that before any of these three alternative solutions is adopted—and we did have them before the plenum—it will be necessary to give thought to the financial aspect. As far as the timing is concerned, we want it prepared before 30 September 1993 so that the plenum and councils of the Slovak National Council can conclude the matter by then. It should then come into effect on 1 January 1994. [passage omitted]

Slovak Finance Minister Analyzes Deficit Problems

AU2201133392 Prague HOSPODARSKE NOVINY in Slovak 20 Jan 92 p 1, 3

[Interview with Slovak Finance Minister Jozef Danco by Eduard Zitnansky; place and date not given: "We Do Not Have Enough Money To Finance the Deficit"]

[Text] The Slovak Republic budget deficit caused no small excitement. We either dramatized problems surrounding the deficit or, on the contrary, belittled them. What is your realistic view on it? What does the deficit mean to the Slovak economy?

We asked Slovak Finance Minister Jozef Danco these questions.

[Danco] Last year's deficit is no small obligation for the Slovak economy. We must repay it. It also means that our resources for development will be slashed by 1 to 2 billion korunas this year. On the other hand, we do not need to make a big issue out of the 1991 budget decifit reaching some 6 billion, since this represents only 4 to 5 percent of the budget's total income. This is certainly not a serious figure. The financial and economic policy will not fall apart because of that.

[Zitnansky] Yet, something has happened....

[Danco] We have two different things here. First, spending trends retained their momentum this year, too. Second, and more importantly, our enterprises do not behave as the future managers of capital and profit should. They are managing their business in the manner they are used to. Enterprises are capable of incurring losses, or producing any economic results they want—the founder's influence and powers are limited. They can make such miracles in their accounts as to show small income for the state and limit thereby the state's capability of management. The situation on the income side of the budget is not easy. Enterprises do not behave the way we would like them to.

[Zitnansky] They behave according to the situation, do they not?

[Danco] In budgetary policy, we acquired the habit of telling the enterprises what they must do and what they

must furnish.... On the other hand, the state gives away and distributes [financial means]. That is, the state budget's philosophy must change. We must think and find a bearable level of the tax burden and "draining" money out of the economy. At the same time, the state budget must bring rationality into spending. We have neither the former nor the latter.

[Zitnansky] Does that mean that the problem is in income or spending?

[Danco] I am saying from the very beginning that the deficit is a matter of two things—income and expenditures. My colleague, Minister Spacek, said that everything depends on income, and he did not allow the budget's expenditures to be questioned. The federal minister generalized the entire matter too much when he said that republics "squandered" the money and that their financial management was bad. The deficit actually confirms the fact that no profound changes have been made in the way the economy is managed and in the way we think. This applies to both the budget and the economy.

[Zitnansky] Do you have the tools to avoid the possibility of last year's budget becoming a precedent?

[Danco] If—in the current situation, with our way of managing the economy, our current efficiency and economic structure,—we started pumping more money into the economy in the form of deficit budgeting or state debt, then we would live to see an unpleasant situation. We would achieve minimal effects despite enormous expenses.

This requires that we observe the macroeconomic development very carefully—until the point is reached beyond which we get on the ascending line. Then we can begin to think about deficit budgeting. Simply put, we must be sure that we will get a certain rate of return. No other manner of deficit budgeting is acceptable.

[Zitnansky] Your opponents, however, give us an example of the United States, France....

[Danco] We are in a completely different situation. Developed economies can afford a deficit. We could presently finance our deficit from trade surplus, however, this is not desirable. We have no guarantees that we will a create surplus again. The worst thing about the budgetary policy is that we are not always exact when speaking about the budget. Relatively, we have plenty of hidden reserves in the Czech Republic budget. There are reserves in the federation's budget, too. In the Slovak budget, unfortunately, we do not have enough reserves, since we do not have enough resources.... That is, the voices shouting that the deficit was caused by insufficient income alone are not completely right. For example, the Czech side was too liberal in forgiving the taxes. They adopted a market-like attitude and succeeded to financially strengthen novice entrepreneurs. On the other hand, the budget's income dropped. We cannot do the same with the Slovak budget. Our creation of capital is not strong enough and we have more expenses.

[Zitnansky] Would it help if taxes were lower?

[Danco] Yes, it would, but not in a short run. History has shown several times that lower taxes help fill the coffers. Unfortunately, we are living in developed socialism, as far our expenses are concerned. We should also adjust our expenses to the reality of the market. If we did it now—I mean if we lowered taxes now—then profits would not be reinvested, but would be spent on consumption and wages.

[Zitnansky] The unfavorable trend continues. In the first days of the year the Slovak Republic budget shows a deficit again. Have you identified its source?

[Danco] We do not have all necessary documents, because the bank computer is out of order. We know only the balances and totals. We do not know how much was drawn from individual accounts. We are presently unable to tell who is causing the deficit. It could be partially caused by the fact that the old budget is still being drawn on. It is really not necessary to dramatize the situation, but we must not underestimate what is happening—we understand it as a serious signal.

After the month is over—when all payments are completed—we will analyze the situation. Depending on the results, we will decide how to adjust our expenses to our income.

KDH Council Meets in Bratislava 18-19 Jan

Carnogursky Delivers Speech

AU2201193892 Bratislava SLOVENSKY DENNIK in Slovak 20 Jan 92 pp 1,2

[Marta Ruzickova, Jana Mjartanova, and Robert Rom report: "Responsibility for Slovakia's Fate"]

[Excerpts] Bratislava—The first Christian Democratic Movement [KDH] Council session since the Zilina assembly was held in Bratislava on 18 and 19 January. This was the third meeting of KDH Council members, made up of representatives elected by district assemblies, since the KDH's constituent assembly in Nitra in 1990.

The session was opened and chaired throughout Saturday [18 January] by KDH Council Presidium member Ivan Simko. [passage omitted]

Following the election of working commissions—mandate, selection, and election—KDH Chairman Jan Carnogursky delivered a speech containing information on the domestic political situation in Slovakia. This has become a regular feature at the start of every KDH Council session. Right from the very beginning, he focused the delegates' attention on the five main issues facing society, issues the Christian Democrats will also

come to grips with during the course of this year. He stated that the overall situation suggests that the elections will be held on the date originally planned, and not earlier. He emphasized that adhering to this date will mean announcing the election date on 18 March. In connection with an issue currently under discussion, what kind of electoral law to choose [a majority or proportional representation system], he said that the results of the previous parliamentary and local elections demonstrated that the movement enjoyed success under both systems. However, he said that the discussions on this subject were still open.

Another issue on which he focused attention—and which will also concern us very much during the course of the year—was economic reform. He concentrated on the implementation of the coupon privatization process, on an analysis of the situation and the risks involved, and on ways out of them.

In connection with the problem of the constitutional and legal arrangement and our mutual relations with the Czech Republic, J. Carnogursky said that the coming year will also be a decisive one for this issue. Mutual negotiations are continuing, but no significant breakthrough has yet been made. The constitution is directly linked to the treaty; its text is also dependent on the text of the future treaty and on whether a treaty is signed at all.

J. Carnogursky also referred to the problems looming in our relationship with Hungary, problems connected with the completion of the Gabcikovo water project and with the Slovak side's firm resolve to complete the project, albeit on our side alone. In his opinion, the territory to the east of our borders could also become problematic if the situation in the former Soviet Union does not develop calmly and peacefully.

At the end of his address to KDH Council members, J. Carnogursky emphasized that in the immediate future it will be necessary to choose a political line so that there will still be a possibility of choosing from several alternatives in every situation. [passage omitted]

Members Issue Resolution

AU2201195292 Bratislava SLOVENSKY DENNIK in Slovak 20 Jan 92 pp 1, 2

["Resolution" of the Christian Democratic Movement Council issued on 18-19 January in Bratislava]

[Text] In its first session after the Christian Democratic Movement [KDH] Assembly in Zilina (9-10 November), the Christian Democratic Movement Council, pursuing the approved policy, came to the following conclusions:

1. It acknowledges

(a) a report on the domestic political situation in Slovakia delivered by KDH Chairman Jan Carnogursky,

(b) a survey of activities of the KDH Council Presidium between the KDH Council sessions and a balance sheet of the implementation of the resolutions adopted by the KDH Council delivered by KDH Deputy Chairman Jan Petrik.

(c) a report of the KDH Control and Audit Commission [KRK] delivered by KRK Chairman Stefan Bosnak,

(d) a report on the progress of the talks between the Czech National Council and the Slovak National Council Presidiums on the draft treaty on principles of the constitutional arrangement by Ivan Carnogursky,

(e) a report on the preparations for the election campaign delivered by Jan Carnogursky, Anton Andras, Rudolf Prochazka, and Dr. Kubes.

2. It elected (in a secret vote)

(a) KDH general secretary—Jozef Kuzma

(b) members-at-large of the KDH Council Presidium—
Pavol Abrhan
Jan Klepac
Pavol Luptak
Jozef Martiniak
Ondrej Sykora
Ivan Simko
Gabriel Smeringal
Stanislav Vajcik

3. It decides

(a) the number of regional secretaries to be five, for the following regions: West Slovakia, Central Slovakia, East Slovakia, Bratislava, and Kosice,

(b) that district assemblies of the KDH are to convene in the following districts: Rimavska Sobota, Zilina, Dolny Kubin, Prievidza, Svidnik, and the Kosice area by 16 February 1992 at the latest.

4. It approves

(a) elections of regional secretaries

Frantisek Ondrejkov—region of East Slovakia

Martin Culen—region of West Slovakia

Stanislav Vajcik—region of the city of Bratislava

(b) elections of district secretaries

(The list of districts and names will be supplied by the

Mandate Commission)

(c) Anton Andras—KDH election campaign manager for the

legislative bodies elections

6. Regarding the issue of the constitutional arrangement

it appeals to all other political parties and movements to deal with the issue of the constitutional status of Slovakia without mutual confrontations, but is aware of the fact that this decision goes beyond the horizon of the electoral period of office and is not an issue for the political parties, but for us all.

Internally, it assigns to

—KDH representatives (and recommends KDH deputies) the task of

advocating the "presidential" version of the draft constitution

of the Slovak Republic with the possibility of surrendering some

of the powers to the common state or integration grouping,

—KDH representatives (and recommends KDH deputies) the task of

proposing to the other political powers that they submit the

single-version [jednovariantny] draft constitution of the

Slovak Republic for approval to the citizens of the Slovak

Republic authorized to vote in the elections to the Slovak

National Council, preferably concurrently with the elections to

the legislative bodies,

—KDH representatives the task of continuing with the talks on

the draft treaty between the Czech Republic and the Slovak

Republic so that it would be based on the principle of primary

sovereignty of the republics. In the talks, they will insist on

the republics being the parties to the treaty.

Government Discusses 1992 Wage Regulation

AU2201095792 Prague HOSPODARSKE NOVINY in Czech 17 Jan 92 pp 1, 2

["(jop)"-signed report: "Wage Regulation in 1992"]

[Text] At a meeting in Prague yesterday, the federal government approved guidelines for regrading regulatory levies imposed in the event wages and other personnel costs are exceeded.

Petr Miller, CSFR minister of labor and social affairs, provided more precise information by saying that the rules for wage regulation in 1992 apply to those entrepreneurial bodies that are subject to levies and taxes paid into the state budget and employ more than 150 people. Of course, the cooperatives of handicapped people and the economic organizations of the Union of Handicapped People are exempt from the regulation. The levy will be collected every six months of the calendar year and will apply to labor costs. The levy will apply to that part of labor costs that exceed the untaxed amount of the noninflationary wage increase. In principle, in finding this level, the entrepreneurs will calculate labor costs in the preceding six months and increment them by the target wage increase fixed by the government at 4 percent in the first six months [of 1992], plus the allowed 3 percent over this limit, for a total of 7 percent. The rates of the regulatory levy, including the untaxed 3 percent, were taken from the 1991 guidelines. P. Miller also said that the estimated average wage growth in 1991 was about 15 percent. The regulation applies to all entrepreneurial companies, irrespective of the form of ownership. The government does not intend to regulate salaries accrued from profit [mzdy ze zisku], but only cost wages [nakladove mzdy].

As of 1 June 1992, pensions will be increased. In order to help reduce differences in pensions—depending on when the pension was granted—the government decided to adopt a solution according to which a fixed amount would be paid out. Last year, pensions grew by 21 percent on average (approximately 400 korunas) but their purchasing power is only 84 percent compared with December 1990. The draft law approved by the government anticipates an average increase in pensions of 200 korunas. Specifically, for pensioners whose pension was granted prior to 31 December 1975, this increase will be 290 korunas; between 1976 and 1979, 240 korunas; between 1980 and 1982, 200 korunas; between 1983 and 1985, 170 korunas; between 1986 and 30 September 1988, 140 korunas; and between 1 October 1988 and 31 December 1989, 70 korunas. In the case of pensions granted in 1990 this amount will be 50 korunas and in 1991, 30 korunas. Moreover, pensions for widows, orphans, etc. were increased by an applicable amount. If the pension is the only source of income, the limit has been increased to 1,760 korunas for individuals, and to 2,920 korunas for couples.

Deputy Federal Prime Minister Pavel Rychetsky provided information on the government's standpoint regarding the bills drafted by deputies. On the subject of the bill that amends the Chapter 3 of the constitutional law (Federal Assembly, President, Government) the government said that it still backs the bill drafted by the CSFR president. The Federal Government expressed its strong dissatisfaction over the Slovak National Council's draft for the division of powers. According to the government, this draft weakens the common functions of the state to such an extent that the state would be unable function at all—mainly as far as the postal service,

railroad system, and abolition of the common customs service are concerned. The Federal Government maintains the position contained in its draft for a functional federation submitted in November 1991. The Slovak National Council's draft does not mention the federation at all, Rychetsky said. Another bill drafted by deputies—the bill on the railroad police—has not been accepted by the government, either—despite the fact that the government is aware of the fact that the situation in the railroad system worries the people. The government suggests that the problem of the travelers' security should be dealt with either by an amendment to the law on the armed protection of the railroad system, or by changing jurisdiction, since, as P. Rychetsky said, disputes about the jurisdiction over a train that is not standing in a station lead to the fact that no one wants to deal with this problem. According to Rychetsky, the discussion on the deputies' bill on the Czechs and Slovaks exiled between 1948 and 1989 was the most extensive one. In principle, the government approves it, yet it recommends that further analyses and studies be undertaken, dealing mostly with the problem of restitution, which should also apply to emigrants. However, this restitution should apply only to original owners of real estate. The in-kind form of restitution would not apply.

Federal Minister of Control Kvetoslava Korinkova provided information on the results of the inspection of the process of denationalization and establishment of new stockholding companies. Within the framework of the federation, this applies mainly to the foreign trade organizations (such as Motokov, Intersigma, Artia, FINOP, etc.). For instance, the transformation of FINOP is unsatisfactory and is only partially regulated, K. Korinkova said. Other results of the inspection were not satisfactory, either. The most serious is the finding that the process of establishing stockoholding companies is accompanied by the inevitable and irreversible transfer of state property outside the sphere of the application of the transformation law. In many cases, the legal system made the work of the Ministry of Control difficult, since the law does not permit access to stockolding companies.

Dienstbier Comments on Foreign Policy Issues

AU2201120492 Prague LIDOVE NOVINY in Czech 17 Jan 92 pp 1, 5

[Interview with CSFR Foreign Minister Jiri Dienstbier by Adam Cerny, Alexander Kramer, and Tomas Smetanka; place and date not given: "I Would Not Have Been Able To Do Otherwise"]

[Text] [LIDOVE NOVINY] Mr. Dienstbier, FRG Finance Minister Theodor Waigel recently declared, in connection with the drafting of the Czechoslovak-German treaty, that "Germany holds the key to Czechoslovakia's entry into Europe." This sounded a little like blackmail to us. The treaty's signing has been preceded by protracted hesitation on the German side. Bonn is again reluctant to set a date for this ceremony and the stance adopted by the Christian Social Union, one of the government coalition parties, does not seem too constructive. Would our position not be more favorable if we had made our claims in 1990, during the "Two Plus Four" talks, as Poland did?

[Dienstbier] Poland was only invited to the "Two Plus Four" talks because there was a border problem between it and Germany. It is clearly stated in the "Two Plus Four" treaty—a treaty between Germany and the victor powers—that the united Germany is constituted within the existing borders of the two German states. The Poles wanted this guaranteed separately. Czechoslovakia had no need to participate in these talks, because all other issues should be resolved on a bilateral basis outside the "Two Plus Four" treaty. This also applies in the case of Poland.

The treaty with the CSFR has numerous domestic political aspects for the German side. However, it is necessary to say that Germany as a whole will either decide to act like a new democratic state—or not. We have done everything we could. Of course, we have not made any concessions that could become a source of new European conflicts. After all, it is impossible to base European security on what happened 50 or 60 years ago. If we intend to create a new Europe, where else should we endeavor to do this than on the very border that previously separated us. Therefore, I think the demands made by the Sudeten German Landsmannschaft in their most recent statements are simply outrageous. To say that we have no claim to anything because we were never in a state of war with Germany is absolute impertinence and will in no way contribute toward rapprochement and overcoming the past.

[LIDOVE NOVINY] The treaty leaves aside property-related legal issues. How will our government back the claims of those Czechoslovak citizens who were the victims of Nazi persecution? When will they finally receive compensation?

[Dienstbier] The treaty does not deal with property-related matters, which means that no one can refer to it on these issues. As far as German citizens are concerned, the federal government proceeds from the fact that the constitution prevents it from abandoning their private claims. If they have claims, they can only—naturally—submit them to our courts, which are governed by our laws. As far as our citizens' claims are concerned, this is a matter that will be dealt with outside the treaty. Various solutions have been put forward, but as we are still at the negotiation stage, I would rather not talk about them. Some of these solutions are advantageous from one point of view, while others are advantageous from another. However, it would be unwise to make our negotiating position public at this stage.

[LIDOVE NOVINY] Nevertheless, all these negotiations should be completed before the remaining survivors of the Nazi concentration camps die....

[Dienstbier] I would like to say this: So far, not only has this issue never been resolved, it has never even made it to the negotiating table. Now it has. This in itself is great progress.

[LIDOVE NOVINY] According to the statements made by diplomats on both sides, there is no significant difference in the way the treaty is interpreted. However, can we discount the possibility that another German government could interpret its text differently in the future?

[Dienstbier] This treaty is the result of a year of hard work. Everything in it is precisely weighed up and interlinked. Safety valves are included against all possible erroneous interpretations in the form of further formulations. However, I would like to say one thing: We cannot assume that we will have problem-free treaties as we had in the past. These were not treaties at all. They were either accepted diktats or texts that said absolutely nothing. Simply, after each side challenged the interests of the other, we reached conclusions on which it was possible to agree. It is necessary to state honestly where agreement cannot be achieved. By the way, you mentioned Minister Waigel's veiled threat. If you look at the text of the treaty, you will ascertain that it requires the Federal Republic to support our integration into the European Community.

[LIDOVE NOVINY] Germany's approach to the Yugoslav crisis has demonstrated that, following unification, Bonn is unshackling its foreign policy and—as opposed to previously—is prepared to proceed more forcefully and independently. When Minister Genscher talks about the need for increased responsibility for Germany, he has the other side of the coin in mind, that is, the need for greater influence. Do you share the view of some commentators that "Germany is too big for Europe"?

[Dienstbier] Germany is in a new situation. It has again become a colossus that is trying to find its place in Europe. I am personally convinced that its integration within Western Europe and within NATO's framework provides a sufficient guarantee against the possibility of forces coming to power in Germany that would head straight for old paths. It is understandable that when such a large state enters onto the European political scene, it carries much weight. This creates a different impression than when smaller countries adopt the same points of view. I am convinced that Germany wants to be part of Europe and does not want to create a German Europe. However, if such tendencies were to manifest themselves, then it would be necessary to energetically confront them. I believe that today's Europe would be able to confront them.

[LIDOVE NOVINY] The security policy adopted by Poland, Hungary, and Czechoslovakia toward the USSR was characterized by a certain restraint and by the effort to avoid conflicts with the former protectorial superpower. Previously unknown risks loom large in this region following its collapse. Has the time not come for greater coordination among the "troika" countries in the security sphere?

[Dienstbier] What is currently happening in the former Soviet Union is a very dynamic process, and no one knows how it will develop. We must strive as hard as we can—and in cooperation with others—to support democratic and peaceful developments. Whether we are successful in this or not, is another matter. I think the majority of politicians in this region are well aware that it is essential to prevent a violent disintegration; they understand what this would mean. For example, when the Baltic republics tried to gain independence, their representatives anxiously emphasized the absolute necessity of achieving this aim by peaceful means.

[LIDOVE NOVINY] However, these are small countries. The 50-million-strong Ukraine can act differently. Obvious points of friction, which could become a source of confrontation, are already becoming apparent in its relations with Russia.

[Dienstbier] Certainly. There are already—and will be—conflicts of interest here. Nonetheless, the main thing is to ensure that they are resolved peacefully. However, I should answer your question about coordinating our security policy with Poland and Hungary. As you know, we have so far avoided any indication that we would like to coordinate ourselves militarily. At the most, we have discussed exchanging information, military overflights, and so on. Cooperation among the "troika" countries is still in its early stages; it is developing like all new institutions. However, we are really cooperating in many issues. Our defense ministers also consult each other. In my opinion, we are not under any threat from the East. At least, in a few years time there will be no threat at all. What will happen then? There are two possibilities: Either cooperation will be developed within the Helsinki process and security guarantees will gradually be created so we have nothing to fear in the near future, or these countries will completely disintegrate and it will then be necessary to accelerate our rapprochement with Western structures, including in the military sense. NATO and the Western European Union realize this, but they are still adapting themselves to the new conditions. From the point of view of European security, these conditions are not yet critical so it is necessary to proceed toward ensuring that there is enough room for everyone in the European security structure. If a critical situation develops, this will mean—for us, Poland, and Hungary—forging the kind of ties that could immediately be put into practice.

[LIDOVE NOVINY] Will we close ourselves off to the Ukraine in the very near—and still uncertain—future, or will we implement the same policy regarding it as we did our Western neighbors, that is, a policy of open borders, regional cooperation, and so on?

[Dienstbier] Naturally, we will strive for cooperation and for the best possible neighborly relations. Fundamental

European strategy consists of pushing the zones of democracy and prospective prosperity further and further toward the East. The Ukraine is a potentially wealthy country capable of achieving this fundamental turnaround faster than any of the other republics in the former Soviet Union. Moreover, it is a country across which oil and gas pipelines reach our country, so it is in our own best interests to ensure that stability, and not chaos, prevails there.

[LIDOVE NOVINY] The Warsaw Pact did not prove to be a guarantee of our security. However, its collapse has meant the creation of a security vacuum. In today's turbulent world, are we not faced with the danger that, if we remain alone, sooner or later we will end up like the first republic? Why is NATO reluctant to accept us as a member? Are we striving hard enough for this?

[Dienstbier] What a question! It goes without saying that we have been talking about this since the very beginning. I remember when I accompanied President Havel on his first visit to the United States in February 1990 and James Baker asked me: "What in fact do you have against NATO?" I replied: "Nothing, except that we are not a member." All this time we have been emphatically and consistently pointing out to the West that its security depends on developments in this part of the world. The collapse of the Soviet bloc changes nothing in this fundamental fact—perhaps only that the situation is even more urgent. It is enough to envisage certain extreme possibilities: For example, if millions of refugees from the East start moving toward Frankfurt or Paris, absolutely no one will stop them. NATO must realize this itself—and it does. Prior to the putsch in Moscow, they said they did not want to provoke the Soviet conservatives into seizing power. I spoke with Baker and Cheney a day after the putsch began. I told them I did not believe that this group was capable of any foreign adventures. If it managed to hang onto power, it would have enough to do at home. I told them to realize that we do not only require general agreements and statements, but that we require specific physical association beginning with an infrastructure, telecommunications, oil pipelines, highways, and so on. I also told them that if an extreme situation developed, I hoped that they would not be more indifferent to our situation than they were to the occupation of Kuwait.

I believe the West clearly understands that our interests are the same. The acceptance of the new European democracies into NATO is no longer as much a political problem as a technical problem. Being a member of NATO would mean having compatible armaments and reorganizing our entire security system; this would cost billions and billions of dollars. Of course, the parliaments of all the alliance's member countries would have to ratify this. This would mean prompting fundamental discussions on the purpose, status, and function of the North Atlantic pact. Therefore, affiliation to the Western European Union—which we are negotiating—is more viable for us at the moment.

[LIDOVE NOVINY] Our economy is not in the best condition for this. The West is, undoubtedly, giving us assistance, but rather less than we need. For example, the so-called Dienstbier plan for triangular trade [purchase by West of products from former East bloc to distribute as aid to the former Soviet Union] is much praised, but it is all words and no action. Poland's President Walesa has made this criticism several times. Do you share his opinion?

[Dienstbier] Apropos our triangular trade initiative: This has been accepted on a general political level by many sides. However, it was extremely difficult to find a partner in the former Soviet Union. This is no easier now, on the contrary. The existing structures have crumbled and the jurisdiction of the new independent states is unclear. There are even huge problems with the distribution of food aid. Therefore, it will not be easy to implement this plan.

As far as the West's actual assistance is concerned, I think that, in a certain sense, we are in an even better position than the former GDR. The process there will, perhaps, be faster, but I see a psychological advantage for us in the fact that from the very beginning we have not relied on—and are not relying on—a "big brother" to resolve our problems for us. I have never thought it would be right for someone just to give us untold gifts. We need technical assistance in order to develop our infrastructure, because we cannot link ourselves to the West without this. We need to train our people.... However, we should not become accustomed to handouts. Allowing oneself to be kept is demoralizing. Therefore, it is correct that all assistance should be granted to us in such a way that we have to participate in it by means of our own endeavors.

[LIDOVE NOVINY] Let us turn to another subject. Whenever there has been talk of Yugoslavia and of our recognition of Croatia and Slovenia, you have emphasized the necessity of a joint course of action with the EC states. This could also be interpreted as an excuse for our own passivity. Have you had an opportunity to influence the points of view of West European countries in this issue?

[Dienstbier] Pardon me, for one thing, this is not an excuse. It is necessary to deal with the Balkan situation as a whole. First of all, peace has to be secured thus creating the prerequisites for a political solution. Partial solutions that do not proceed from this principle are simply not solutions at all, but are buck passing. The second principle that has to be respected is achieving and maintaining a consensus—from Washington to Moscow.

Two camps must not be formed, each supporting one of the sides in the Yugoslav conflict. If this were to happen, it could easily lead to an even greater tragedy; the entire Balkan region would soon turn into one big Lebanon. So, I am not making any excuses; I have held this opinion from the beginning.

Czechoslovakia does not have the means to promote any kind of policy in the Balkans on its own. We cannot send 1.5 million troops there, and we do not want to. We are striving all the more for consensus. I believe we have carried out a great deal of work there, right on the spot. In particular, our ambassador to Belgrade, who is widely respected as an outstanding expert on Yugoslavia, has worked hard. I have discussed this issue with all the EC foreign ministers and have outlined to them our point of view. We were not, and are not, passive. However, sometimes people do not understand that if you want to conduct effective diplomacy, then you just have to do it and not talk about it too much, because, by doing so, you will in fact render it impossible.

[LIDOVE NOVINY] Do you not sometimes feel that there is a certain contradiction between the high moral ideals on which our foreign policy is declaratively based and between the pragmatism of its practice?

[Dienstbier] I see no contradiction in this. It is not moral to make a great deal of noise about something in policy. An independent intellectual may defend his own uncompromising point of view. However, if you want to adopt a moral stance in policy—and I think that policy has to be moral—you must make an absolutely responsible analysis of where your actions will lead to, that is, whether they will contribute to achieving your moral aim, or not. I consider it irresponsible to make empty and risky gestures.

[LIDOVE NOVINY] How openly is our foreign policy conducted? Are there many things that cannot be said out loud? How much of what perturbs the rank and file citizen is a mere diplomatic game?

[Dienstbier] In my opinion, our foreign policy is conducted very openly. After all, we do not conceal any of our views and we make our intentions absolutely and unequivocally clear. I would not be able to do otherwise, and I would not want to. You say a game.... There are two sides in every round of negotiations and each comes to the negotiating table with its own maximum aims. As their interests always differ in something, their subsequent agreement must be a compromise—otherwise, it is not an agreement. Sometimes, especially when you are critical of someone, it is more effective to discuss the matter with him privately than to cause a public confrontation that gives him no opportunity to make concessions without losing face. More can be achieved by face to face talks than by proclamations at news conferences. However, I consider this to be neither cabinet policy nor a diplomatic game; it is simply choosing the best means possible.

[LIDOVE NOVINY] Which of your opposite numbers do you get on best with? Do you speak candidly to each other, or do you use those phrases that we read in official communiques?

[Dienstbier] Of course, we speak candidly to each other. Sometimes, we sit down for half an hour on our own and iron everything out completely, then we go into the negotiating chamber and formulate what we have discussed into the form that appears in the communique.

I get on well with many of my colleagues. For instance, Uffe Ellemann-Jensen and I were radio correspondents together in Washington in 1968. I first met Hans Dietrich Genscher in the Vikarka Restaurant in August 1968 when he was still a young diplomat.... I have known some people for quite a long time and we are able to discuss many things with each other. I had a good relationship with Eduard Shevardnadze.... I do not know who I would leave out. I get on quite well with James Baker.... and, of course, with Gianni de Michelis. Or, take the Polish foreign minister, Professor Skubiszewski. It is difficult for me to be what is called a friend with him. Nevertheless, he is an extremely pleasant old man, an international law fanatic with whom one can hold rather good discussions on this subject. I like people who are really keen on something and devote their whole life to it. It is somehow different with every minister, but I get on well with them.

[LIDOVE NOVINY] Mr. Minister, the lists circulating around the Republic—the ones that were even published in TY RUDA KRAVO [You Red Bastard—a parody of the newspaper title RUDE PRAVO]—contain the names of a number of staff in your ministry and describe them as State Security [StB] collaborators. What is your opinion of this?

[Dienstbier] Look, many lists are circulating. They are of various origin. Some are probably imprecise copies of files, while others are based on anonymous letters. I have one here that was, without a doubt, compiled by an individual who had to leave the ministry a year ago because of his past. Now he is settling personal accounts. Today it is often difficult to differentiate between who actually collaborated with the StB and instances of slander. In any case, these lists, including those published by the Anticommunist Alliance, contain blatant untruths.

[LIDOVE NOVINY] Let us be specific: You are convinced that the seven ambassadors whose names were published in the aforementioned publication are above suspicion?

[Dienstbier] All ambassadors are assessed in accordance with the screenings law. Among other things, this law prohibits the publication of names as long as those concerned resign after a positive finding. I cannot break the law by making negative findings public; if I were to say that so and so were not StB agents, it would be as if I had said others were agents. There are some obviously nonsensical accusations and instances where names have been altered. I will not evaluate the level of their reliability, but I would like to say that I consider all the attacks against the Foreign Ministry to be absolutely unjustified. You may have noticed that the same names are constantly being repeated—two, at most three, dozen people are involved. Some 1,800 people work here.

There is some doubt about the past of 1 to 2 percent of them. This is less than in almost all the other ministries.

[LIDOVE NOVINY] Is our foreign service financially secure enough?

[Dienstbier] We are in approximately the same situation as the Bulgarians and the Poles. However, in comparison to the Hungarians, there is considerable disparity. The chauffeur at a Hungarian embassy earns the same salary as a Czechoslovak ambassador. Our ambassadors earn $2,000 a month, while Portuguese ambassadors earn $11,000. When our ambassadors take up a post somewhere and their colleagues invite them to a restaurant for dinner, they cannot afford to return the invitation. Unfortunately, this does not create a good image of our state. The same applies to the technical situation in our representatives offices. There are also insufficient funds for this. The way things are, other ministries are no better off. I just think it is nonsense to work out what $2,000 is in korunas and say that our ambassadors have a fantastic income. This is absurd. They do not live in Czechoslovakia for korunas, but abroad where the dollar has no more purchasing power than the koruna has here.

[LIDOVE NOVINY] Is the inadequate financial situation in the foreign service connected with the fact that the finance minister is the chairman of the Civic Democratic Party and the foreign minister is the chairman of the Civic Movement?

[Dienstbier] Look, I will tell you just for the record—and this is true—that the Foreign Ministry has the same low salaries and insufficient funds as the Defense Ministry, the Interior Ministry, and all the rest. Simply, the state coffers do not contain enough money to fundamentally alter this situation.

[LIDOVE NOVINY] Do the political parties take part in shaping Czechoslovak foreign policy?

[Dienstbier] It would be enough to mention that my deputy, Vojtech Wagner, is a member of the Civic Democratic Alliance. However, the policy of each federal ministry—and, first and foremost, of the federal Foreign Ministry—should express the maximum possible consensus on the state's common interests. It is clear that the Foreign Ministry is currently under fire because I am also chairman of the Civic Movement. This is not good. Criticism should be more objective. In my opinion, no one can say that I would conduct party policy at the ministry.

Sudeten Germans Object to Joint Treaty

LD2201084592 Prague Stanice Ceskoslovensko Radio Network in Czech 1700 GMT 19 Jan 92

[Report by Jiri Halousek]

[Text] The two-day founding session of the new German Assembly of the Association of Sudeten Germans Expatriates ended in Munich today. At the end of today's session, several resolutions were adopted.

As far as Germany's treaty with Czechoslovakia is concerned, the participants confirmed the stance of the Sudeten German Expatriates in not agreeing with the treaty. The participants call on the German Government and deputies' factions of the German political parties in the Bundestag to take into account Sudeten Germans' objections in the forthcoming process of deciding about the signing and ratification of the treaty with Czechoslovakia.

Another resolution describes as inappropriate the intervention by members of the Czechoslovak Government and diplomatic represenatives in the German internal discussion about the treaty with Czechoslovakiam, as well as their alleged inappropriate discrediting of German politicians. This is a reaction to Friday's [17 January] interview with CSFR Foreign Minister Jiri Dienstbier published in LIDOVE NOVINY.

Franz Neubauer, reelected chairman of the Federal Assembly of the Association of Sudeten German Expatriates, said that the use of rudeness and arrogance to describe Sudeten German demands is not appropriate in the sphere of international relations.

Deputy Minister Views Trade Accord With Russia

LD2201153292 Prague Stanice Ceskoslovensko Radio Network in Czech 1700 GMT 22 Jan 92

[Interview with Deputy Federal Foreign Trade Minister Lubomir Martak by correspondent C. Skalicky; place and date not given; Martak speaks in Slovak—recorded]

[Excerpts] [Skalicky] The agreement specifies the conditions for trade between Czechoslovakia and the Russian Federation. The issue of oil supplies is probably the most topical at the moment?

[Martak] Yes, it is one of the most important of the specified points. In the case of Czechoslovakia, there are four basic components in the area of raw materials: oil, gas, fuel elements for nuclear power plants and nonferrous metals. These represent the bulk of imports, and are on the indicative list of items. As far as oil goes, it has been managed to agree on 7.5 million tonnes. Out of this amount 5 million [tonnes] is for the state, and 2.5 million [tonnes] is for the regions. However, the Russian side have committed themselves to give us quotas and licences for 7.5 million tonnes.

[Skalicky] To what extent are these indicative lists of goods binding for either side?

[Martak] Certain progress has been made since last year. The lists of exports and imports amount to about [U.S.] $1.7 billion. Of that only $440 million is binding, because only $440 million can be used by the Russian

Federation for its central needs. Out of this $440 million, $163 is to go for debt repayment. Therefore, $280 million [as heard] is the so-called core list of exports and imports. It is, compared to 1990, a substantially smaller binding volume. On the contrary, this is closer to a kind of market concept of both economies.

[Skalicky] Can one say that there is no further danger of an increase in Russian debt to Czechoslovakia?

[Martak] We paid special attention to this issue. According to the protocol, quite a specific mechanism has been devised to lower the debt. I have mentioned earlier the sum of $163 million earmarked for the debt repayment. There is a very important point, in that Czechoslovakia will pay for all the imported items, ie oil, gas and other materials mentioned above, into an account with the Czechoslovak Bank of Commerce [Ceskoslovenska Obchodni Banka]. [passage omitted]

[Salicky] Last year, the turnover in goods exceeded $5 billion. Where will the remainder come from, assuming that the trade does not even drop?

[Martak] Of the turnover, roughly $5.2 million was trade with the whole of the Soviet Union. Now we are talking only about Russia. Last year, the indicative items were approximately $3.9 billion. Today it is $3.3 billion with the Russian Federation. I think this is adequate considering that the Russian Federation constituted about 80 percent of the Union. The remainder was achieved last year by free-currency trade and by barter. You will remember that last year barter was banned for over six months. This year, we have no such obstacle. On the contrary, barter can be carried on a one-to-one basis. It is only if raw materials are subject to barter from the Russian side that they will weighed by a customs levy of additional 15 percent. But even this issue remains open to negotiations.

[Skalicky] Does that mean that Russian firms have better possibilities for export and import of goods?

[Martak] I think so. The mechanism has remained more or less the same as last year, that is subject to hard currency rules [devizovy normativ]. But there is more zest, one can feel the effect of the work of new, modern economists. This is in line with the current situation and possibilities of the Russian Federation. The mechanism has been worked out so as to function well. We firmly believe that unless unforeseen events take place, we will again achieve a turnover at least to the tune of the last year.

Goncz Considers SFRY Borders Unchangeable

LD2201112292 Budapest MTI in English 0850 GMT 22 Jan 92

[Text] Budapest, January 22 (MTI)—"It is impossible to change the borders within Yugoslavia since one cannot draw ethnic borders that suit all peoples," hungarian President Arpad Goncz said in an interview to the Tokyo daily NIHON KEIZAI SHIMBUN in Budapest.

The president emphasized the importance of bilateral talks in settling the crisis.

"It cannot be allowed for any ethnic group to become the loser of settlement, since a loser will take revenge at any price which will raise further dangers. A solution which is accepted by tall sides should be found," Goncz said.

"Hungary is holding talks not only with Yugoslvia but also with other countries on protecting the rights of national minorities. It makes great efforts so that the rights of Hungarian minorities be enforced in the neighbouring countries," the Hungarian president said.

Confirms Croatian, Slovene Recognition

LD2201133992 Budapest Kossuth Radio Network in Hungarian 1300 GMT 20 Jan 92

[Text] Arpad Goncz has sent a letter to the Serb Head of State, confirming that the recognition of Slovenia and Croatia by Hungary is not directed against anyone. In his message to President Slobodan Milosevic, the Hungarian president emphasizes that Budapest is aiming for good relations and cooperation with all the southern Slav states, and that the recognition of the two republics means nothing more than an acknowledgement of the status quo.

Ministers Jeszenszky, Silajdzic on Relations

LD2101211192 Budapest Kossuth Radio Network in Hungarian 1140 GMT 20 Jan 92

[Interview with Bosnian Foreign Minister Haris Silajdzic and Hungarian Foreign Minister Geza Jeszenszky by Szilveszter Varga after their talks in Budapest; date not given; Silajdzic speaks in Serbo-Croatian with superimposed Hungarian translation—recorded]

[Text] [Varga] My first question is whether you are afraid of the war spreading to Bosnia-Hercegovina as well.

[Silajdzic] We build on the tradition of coexistence, and precisely because this is our tradition, we know how it works. This is a fact and not just a statement. In addition, we formulated the constitution in such a way that coexistence should be included in it. With us there are no minorities, because all three peoples are of equal rank. There is not a single political prisoner in the republic. The press is free, and we hope that by now these are the first steps towards the creation of a modern, European democracy.

[Varga] Yes, but the Serbs have set up their own parliament.

[Silajdzic] In a democracy several kinds of views take shape. The Serbian Democratic Party, however, has taken some unconstitutional, unlawful steps, but we believe that the majority of the population of Bosnia-Hercegovina, including those of Serb nationality, support independence and would like the relationships between Yugoslav states to be based on new foundations.

Our standpoint is that, as a first step, every Yugoslav republic must be recognized. We propose that after this, a new community of states should be created as an association of independent states. The member countries of the community of states would not tax each other, and people would be able to travel without passports. Unfortunately, at the moment this does not seem realistic, but we trust that economic necessity will eventually be able to correct the political faults.

[Varga] You will soon be holding a referendum about independence. Will you set up a new parliament as well?

[Silajdzic] No. The population will only express an opinion about independence. Bosnia-Hercegovina now has a house of representatives in which nine parties have obtained places; eight of these have voted for independence. The exception is the Serbian Democratic Party, which left the chamber.

[Varga] Have any relations been established between you and the Serbian Democratic Party?

[Silajdzic] Of course. And we must ensure that this is possible in the future too. As I have already said, thanks to all three peoples living in Bosnia-Hercegovina, we have safeguarded peace even in this difficult situation, and I hope that this will be possible henceforth as well. Six months ago we asked the United Nations to help in this, and we hope that the peace keeping forces will arrive in Bosnia-Hercegovina during February.

[Varga] After the discussions, Budapest's position was outlined by Hungarian Foreign Minister Geza Jeszenszky.

[Jeszenszky] In our region the seeds of freedom survived the winter of communism and are now sprouting. We must foster this positive process, whatever the difficulties, because the sincere attempts among our neighbors to establish democracy and a market economy offers the world and especially Europe enormous opportunities.

Our neighbors include Bosnia-Hercegovina, and although we already knew this, the talks today once again convinced not only myself but also my colleagues, and perhaps through my statement Hungarian opinion as well, that we have not only the three well-known southern Slav nations but also Bosnia, which is made up of three ethnic groups: Serbs, Muslims, Bosnians, and Croats [as heard], living just a few hundred kilometers to the south of us..

This is an economically well developed country, with a deep political culture and traditions, and democracy there is not just a seed but is already in flower. This is what Bosnia-Hercegovina would like to assert, and its attempts to gain independence follow from this. This by no means excludes continued close cooperation with other southern Slav republics; in fact, independence provides much greater opportunities for this.

At the same time, an independent Bosnia-Hercegovina which is cooperating with its neighbors is a very promising economic partner for Hungary. Some months ago, the Hungarian leadership said that the way for the southern Slav people to create peace is by recognizing and talking to each other as free people, or as free republics on a basis of equal rights. Hungary is ready for this, and I repeated in my article in THE NEW YORK TIMES, which was reported in the Hungarian press, that in our view those southern Slav republics which meet the criteria for recognition have every right to demand recognition.

Fur Views Nation's Defense Policy, Tasks

AU2201193692 Budapest UJ MAGYARORSZAG in Hungarian 18 Jan 92 p 4

[Interview with Defense Minister Lajos Fur by Laszlo Pusztaszeri; place and date not given: "It Is Important To Create a Security Network—Hungarian Fate, Hungarian Responsibility"]

[Text] After the many generals with golden epaulettes and red stripes, as far as we know, there have been two cases so far in which a civilian politician filled the position of Hungary's defense minister: first, Peter Veres, the peasant writer, in the post-war coalition years, and second, Dr. Lajos Fur, the scientist historian, the deputy chairman of the Hungarian Democratic Forum [MDF], who is well-known for his imperturbable calm and unsophisticated cordiality. Lajos Fur has a fortunate character: He is a captivating teacher and political orator and an energetic military politician and organizer, one who has succeeded in staying one of the most popular members of this government to this very day. His volume of studies entitled "Fate and History" was published recently.

[Pusztaszeri] Mr. Fur! What are the major military policy tasks facing the Hungarian Army in the current period?

[Fur] We continue to give priority to our internal restructuring and development in this year, too. By restructuring we mean the further elimination of the heritage of the "Warsaw alliance" and the creation of a new defense system. As for our development, we are now formulating the concepts on the basis of which we will be able to begin the technical modernization of our army, once we have sufficient financial means at our disposal. We must also ensure the new legal conditions for our operations.

To Guarantee Hungary's Sovereignty

[Pusztaszeri] What new security policy considerations must Hungary have in view of the changes in the former Soviet Union and the Eastern-Central European area?

[Fur] We must continue our military diplomacy that we began earlier. In the framework of this diplomacy, we must find the possibilities of developing bilateral military relations with the existing countries and with the newborn or newly independent countries in this region. We started signing such agreements in the fall of 1990, primarily with our neighbors, but also with other countries in a broader European sense. With these agreements, we succeeded in creating a security net around Hungary that can also guarantee Hungary's sovereignty in this transitional period. We must take care of our security ourselves, because the Warsaw Pact has been dismantled, and NATO does not want to extend its organization to this area. That is why we held talks with Ukrainian Defense Minister Morozov in December 1991, and we must also find opportunities for bilateral military cooperation with the newly emerging countries in Yugoslavia.

[Pusztaszeri] As far as I know, Prime Minister Jozsef Antall and you deserve the credit for the quick dismantling of the Warsaw Pact.

[Fur] Even before the elections, the democratic parties in Hungary, including the MDF, expressed their opinion that the Warsaw Pact became obsolete and should be dismantled. Our personal merit is perhaps the fact that we took this opinion very seriously, and, after forming a government, we took the practical steps that led to the implementation of this demand. Besides, it was really Jozsef Antall the first who declared that Hungary wanted to leave the Warsaw Pact, and he did this in front of all the present delegations and the world's public opinion at the meeting of the Warsaw Pact's Political Consultative Committee in July 1990. I did the same when I held talks with Soviet Defense Minister Yazov and later with the commander and chief of staff of the joint armed forces. This required firmness, consistency, and loyalty to the ideas that dictated our steps, ideas brought up by history.

We Respect Our Neighbors' Internal Affairs

[Pusztaszeri] One can notice a certain concern among people, namely that the spreading of the Yugoslav crisis could also drag Hungary into this war. Perhaps there are forces that would like to provoke this. What is your opinion about all this?

[Fur] No one would dare to firmly state this, but, according to some signs, some circles would have benefited from dragging Hungary—even tangentially— into this internal Yugoslav conflict. One could suspect this from the various violations of Hungarian airspace. However, from the very beginning we have firmly followed the basic principle of non-interference in the internal affairs of any of our neighbors. We have also been for a

solution to the conflict as soon as possible and for leaving the Hungarian minority in Yugoslavia out of this conflict.

[Pusztaszeri] Mr. Fur! You visited the Ukraine recently. Is it possible to create some kind of defense cooperation between the "Visegrad Trio" [Hungary, Poland, and the CSFR] and the Ukraine?

[Fur] This idea has repeatedly emerged lately like the creation of a defense zone covering Switzerland, Austria, Hungary, and the Ukraine. The Visegrad cooperation is working well not only politically but also in the military aspect. We would welcome the addition of the Ukraine to this trio, although there are still significant differences between the Urkaine and the aforementioned three countries regarding the progress of democratization and economic restructuring. However, we can envisage closer contacts between these four countries, at least in the economic and foreign policy areas.

Historical Polish-Ukrainian debates and the issue of the future of the CSFR could also hinder this cooperation. The domestic tensions that emerge between the Czech lands and Slovakia on the issue of the federal state from time to time are well known. The question is what forces will gain the upper hand on the political arena and whether it will be possible to maintain the unity of the CSFR.

Our Army Is Capable of Defending Hungary

[Pusztaszeri] Our relations with NATO are extremely important for Hungary, but it seems that our joining cannot take place in a short time. Can you envisage any other type of relations?

[Fur] Of course, and the NATO leaders also acknowledged this possibility. That is why they recently created the so-called Cooperation Council in which they want to include some of the member states of the former Warsaw Pact in the future. The fact that some Eastern-Central European countries can send military attaches to the NATO Center also represents an important step forward from the viewpoint of military cooperation. Hungary will send such an attache in the near future.

[Pusztaszeri] In my experience, the mass media deals with our Army favorably in general, but sometimes it treats the Army in a certain off-hand manner. Is this defeatism really justified, or is it only spread by the opposition propaganda?

[Fur] One should seek the reasons for this in the technical level of the Hungarian Army. In the case of some types of weapons, we still have several obsolete systems in operation. Almost our entire arsenal is based on Eastern technology and, therefore, the most modern Western arms are not included in our arsenal, and this also applies to the most modern Eastern arms. From this point of view, there can be justified concern whether the Hungarian Army is able to defend Hungary's borders in the case of an armed conflict. However, our critics fail to point out that the level of the arsenal in the neighboring countries is more or less similar with the level of our arsenal. Regarding its level of training, determination, and readiness to fight, the Hungarian Army does not lag behind the neighboring countries. If we consider the fact that an attacker needs at least three times as much force for every attack, we do not have to despair, because the Hungarian Army has sufficient power to defend Hungary's sovereignty. Besides, no frontal military attack is threatening us from any side today. However, this does not exclude the danger that, in the case of a spreading Yugoslav conflict, smaller armed groups could drift to Hungarian territory, but this does not represent a great threat to our security.

Former Official Views Army Restructuring

AU1901162392 Budapest NEPSZABADSAG in Hungarian 13 Jan 92 pp 1,4

[Interview with Major General Lajos Kondor by Peter Vajda; place and date not given: "Training Leaders Brought into the Ministry"]

[Excerpts] Major General Lajos Kondor recently resigned from his position of deputy state secretary at the Defense Ministry because of differences of views. [passage omitted]

[Vajda] What happened after the change in the regime? How much of what you predicted has actually happened?

[Kondor] Some concepts materialized partially. One such subject is our military policy trend; another subject is our national military doctrine or our defense principles, which are already on the Parliament agenda awaiting debate. These principles contain more or less what we thought before the change in the regime. However, relatively little has materialized in other areas, like the structure, organization, operation, and leadership order of our army.

[Vajda] This is rather general. In your view, what should be different, and how?

[Kondor] First of all, I think we need a more rational army structure. I must say that I became an official of the Defense Ministry in July 1991, and basic conceptual differences emerged from the beginning between the leaders of our Armed Forces and some of us. The leaders of our Armed Forces thought, and I think they still think, that our Army is in a difficult situation today and, therefore, it should not be disturbed too much, but we should wait for more opportunities for modernization and development. In the meantime, we should practically save the existing framework, and I mean this professionally, not politically. However, my opinion is that, precisely because of this difficult situation, we should concentrate the existing possibilities and resources from our small defense budget to create a small core within the Army as soon as possible, during peacetime, a professional force capable of dealing with certain conflict situations immediately; we should also begin

building an area defense system as soon as possible. In other words, we should not maintain units whose combat and technical equipment can hardly be used and their staff is not properly trained; and we should particularly refrain from maintaining institutions and leading organizations that do not play a considerable role in Hungary's defense.

[Vajda] If I understood you correctly, you think in terms of an army that resembles a professional army.

[Kondor] Yes, an army mostly made up of professional soldiers, including conscripts. This is a small force in peacetime.

[Vajda] Would this army resemble the Swiss Army?

[Kondor] It is difficult to compare it this way. Perhaps it would slightly resemble the Austrian Army. The Swiss Army is a unique type.

[Vajda] Have you made any calculations? Could such a restructuring be carried out from the same amount of money currently at the disposal of our Army?

[Kondor] I think so, yes. Of course, these changes cannot be introduced immediately, because defense activity cannot stop; however, we should begin with this process of restructuring at a much greater pace and much more courageously than before. Besides, Parliament is expected to debate the basic defense principles, and these principles in fact contain this concept. The problem is that, in the meantime, a decision was made on the reorganization of our army, and this is not in harmony with the defense concept, either. [passage omitted]

Walesa on Revolution, Market Economy, FRG

AU2201105692 Hamburg DER SPIEGEL in German 20 Jan 92 pp 136-139

[Interview with Polish President Lech Walesa by Andrzej Rybak, Fritjof Meyer, and Andreas Lorenz in Warsaw; date not given: "They Will Take Everything From Us"]

[Text] [DER SPIEGEL] Mr. President, as a dockworker you founded the first trade union in the socialist camp. As a people's tribune you defeated the communists, and now you are a statesman with a residence in the Belvedere Castle....

[Walesa] ...in between all that I helped bring down the Berlin Wall. Do not forget that I was the first one to say that it would come down during our lifetime. Nobody would believe me at the time.

[DER SPIEGEL] In which role have you felt most comfortable?

[Walesa] I would not speak of feeling comfortable. So far all we have done has been to break something up. Now we must bring in the harvest of our revolution. There is still a lot of disorder to tidy up. I want to prevent the people's cursing this revolution one day.

[DER SPIEGEL] You are now trying to lead Poland into a functioning democracy and a market economy and defend the sovereignty of the country. Where are the biggest risks?

[Walesa] The main problems after the revolution lie with the former Soviet Union. There are still many hidden dangers there that I dread. It means that for a long time I will not be able to resign and feel fine. It is true that, politically, we are better off now because we have won our freedom. However, economically, things look different. The social situation must improve. This is why we brought about this revolution in the first place.

[DER SPIEGEL] Poland used to be a pioneer among the socialist states, while now it seems to be lagging behind. The people have become discouraged, the constitution of the former communist regime is still in force, Parliament is polarized, and the government shaky. What did you do wrong?

[Walesa] Democracy needs a long time to develop properly. Many think that when one begins to set up a democratic system everything has to be perfect right away. From the point of view of a mature democracy what is happening in Poland is certainly bad. However, from the point of view of a young democracy it is surely acceptable.

After the long period of communism the people still lack trust in politicians. We must now find the right path. Three or four parties will not do, although from the point of view of seasoned democracy it would be reasonable. However, you may rest assured that in Poland everything is going in the right direction.

[DER SPIEGEL] You suggested a restrictive clause for the elections but it was turned down. Now there are 29 different parties in Parliament, each one blocking the other. Will you try again?

[Walesa] No. But those who were against my proposal at the time will. They will soon realize that I was right. Did I lose or win? I proposed a development that was conceived for another time. Such is life.

[DER SPIEGEL] Indeed, you proposed a constitutional reform that would have conceded you and the government more powers toward Parliament. That proposal also fell through.

[Walesa] If we look at it as a football match, it is true that I lost. Still, I know that I was right. I also know that my proposal was important for developments here in Poland; I made it clear that the government needs greater powers; now it must take matters into its own hands.

[DER SPIEGEL] In the past few weeks you have suffered many political defeats, for example in connection with the setting up of a center-right government under Prime Minister Jan Olszewski. Has the lion lost its teeth?

[Walesa] No. The government would not have been created without my help. However, I did not make a big fuss about it.

[DER SPIEGEL] But you did not even want this government.

[Walesa] I admit that this was the impression one could get, but it was not the truth. What is true is that I was fighting for a wider base for this government in order to make it stronger. I set the course for constitutional reform and then I withdrew. Now the government must take care of it.

Let me repeat: If you apply the criteria of a football match, then it looks as if I were losing. However, I am not playing but solving problems. I provoke, I upset, I encourage people—that is my job. In a classic democratic model all that may look bad, but we do not have a classic model, we have a revolution.

[DER SPIEGEL] Social duties and Sunday speeches are not your cup of tea. Would you rather be prime minister?

[Walesa] In the short term it would be better if I were prime minister, but certainly not in the long term. I would make decisions too fast and too directly. It would be totalitarian, although it might be correct at this stage. However, I am afraid it would not be accepted by society. People believe in understanding and democracy.

[DER SPIEGEL] As prime minister you would be able to pursue your objectives more efficiently.

[Walesa] True, this is why for the moment it would be better if I were head of the government. But what about tomorrow? I doubt it. Of course it would be simpler in this difficult period if only one person like myself were to make all the decisions. However, we must learn to activate many people so that they can make decisions themselves later on. This learning process cannot be skipped, although it is causing losses due to friction. Yet you do not get anything in life for free, and that is our price for the revolution—still better than relapsing to a totalitarian system.

[DER SPIEGEL] Nevertheless, you want more powers for yourself—it looks as if you are steering toward a presidential dictatorship.

[Walesa] I did not only ask for more powers for the president but also for the prime minister, so that one could make important decisions more quickly. Actually, a presidential dictatorship would not be so bad in the current stage. Yet how would it go together with democracy? We do not know yet what model will be best for Poland. We are only in a stage of development. Today, the president must still intervene quite a lot.

[DER SPIEGEL] The government and the people do not approve of your fine proposals.

[Walesa] That is not true. I do not know where you have been listening to what the people say. In Warsaw? The citizens of Warsaw are not the people.

[DER SPIEGEL] The president, for example, supports the radical liberalization of the economy. The citizens do not agree with him on that issue—and this was reflected in the last elections.

[Walesa] That is wrong. I am in favor of better, wiser reforms. One could argue about the interpretation of the election results.

[DER SPIEGEL] What is true is that so far you have not had any success with your ideas on economic reform. For example, you suggested in vain giving each citizen a 100 million zloty share —or some DM16,000 at the time—in the national assets.

[Walesa] Yes, now as then I am firmly convinced that this would be the best solution. Today it would probably have to be one billion zloty.

[DER SPIEGEL] What would the Poles do with it?

[Walesa] The citizens of Warsaw would buy any piece of land they could lay their hands on in Warsaw, then try and find a customer in the West and make him build a hotel, a bar, or a cafeteria. It would mean that I could stop racking my brains over how to lure investors into the country. The people themselves would take care of it. Warsaw would grow like mushrooms after the rain. The construction sector would boom and there would be no unemployment. I would not have to seek out money but would not even know what to do with all those dollars and German marks.

[DER SPIEGEL] The new government seems to be more interested in saving state enterprises than pressing ahead with privatization.

[Walesa] That does not matter. Let them take care of the old state enterprises. I am going to sell all vacant plots in Warsaw, Gdansk, and other cities along with all the nice lakes and their environs. Gradually, the people will set up major recreation centers and bathing resorts, and subsequently investors will also come. Life is the best scriptwriter one can image.

[DER SPIEGEL] You are an excellent representative for the market economy. You are going to make the deal of the century.

[Walesa] Within six months. Many and various activities will go on. For example, people will come here, build roads and then levy tolls. We will earn a few percent in commission. A big deal, gentlemen!

[DER SPIEGEL] Poland is suffering from high inflation and growing unemployment. The workers are striking against price increases for electricity and gas. Are you scared of social unrest?

[Walesa] Such fears would be justified if the workers in your new German laender proclaimed a general strike and said: You from the other side, give us what you have. That would be dangerous for you. Yet here the people do not have a rich uncle in the West, which is why they are not protesting against the reforms but for a better and faster implementation of these reforms. Inflation is high because my program has not been carried out. Unrest should be directed into creative channels.

[DER SPIEGEL] Would you not like to have a wealthy uncle, too?

[Walesa] Of course I would. I would squeeze him, but carefully, so as not to crush him.

[DER SPIEGEL] Are the East Germans crushing the West Germans?

[Walesa] There can be no doubt that the West Germans will have to pay a high price for unification. I have always told German officials: Proceed carefully, do not let the East Germans get used to having a rich uncle, because this will create great losses. Yet they said: No, no, no, fast, fast, fast—and now they have to pay.

[DER SPIEGEL] So how could Bonn still help Poland?

[Walesa] Bonn cannot do much now. You will need another four or five years to bring your own affairs in order. You will hardly be able to think of others. However, we are condemned to cooperate. A similar structure will emerge between us as the one between you and the French—maybe an even better one.

[DER SPIEGEL] Even now Bonn and Warsaw share certain problems as a result of the collapse of the Soviet Union.

[Walesa] Shared dangers. Yugoslavia was a warning sign for all of us, which is why I am fighting for rapid integration between the CSFR, Hungary, and Poland. Unless we are well prepared, millions of refugees will come from the other side—whether we like it or not.

[DER SPIEGEL] What will you do to prevent it?

[Walesa] We will not stop those people, because we are not even able to. We will form a lane and send them on to you. Can you think of a better solution? Once the Chinese start to move—and they will—we will face real problems. I am appealing for the stationing of permanent UN forces in Europe to keep the situation under control. I strongly recommended that even one year ago.

[DER SPIEGEL] Would an expansion of NATO be a solution?

[Walesa] I believe that NATO must be reorganized. During a transition period, it should serve as a basis for the UN forces. Later, however, it must be assigned new tasks: nuclear control, the monitoring of ecological developments, and disaster relief. But for the time being it should remain unchanged because there are still numerous dangers in the East.

[DER SPIEGEL] Among your eastern neighbors, the reliable control of nuclear weapons is no longer ensured. What specifically can you do?

[Walesa] The international community—the CSCE, for example—must prevent dangers in this connection. I do not believe that the weapons will be used deliberately, but rather out of imprudence. These weapons cannot achieve a great deal anyway. They did not prevent the fall of the Wall in the former GDR. Women just walked through the wall with their baby carriages. And that was that! I am afraid of a wave of refugees from the East. People will come in herds, and they will take everything from us.

[DER SPIEGEL] Is the commander in chief of the Polish Army prepared for this?

[Walesa] I have already told you that we will form a lane and direct the masses toward your country. Where can I get tents and food for 10 million people? We need borders that can be crossed more easily, so that the prosperity gap is removed. In that case, this problem would not exist.

[DER SPIEGEL] After the outlook for the future, let us talk about the past. What will happen to the communists who committed crimes in Poland? What about the many spies?

[Walesa] This is a serious problem. However, one must not forget the following: It is true that Poland was a communist country, but it resembled a radish: It was red outside and white inside.

[DER SPIEGEL] It was probably more black.

[Walesa] Before Solidarity was founded, everybody struggled on their own against the huge apparatus, and some who put up resistance are now dead. The rest of the population was in one way or another incorporated in the state, and even the priests were trained in communist schools. I would say that we must call the responsible politicians to account. It should at least become impossible for the traitors to apply for public offices. The ordinary people should be left alone.

[DER SPIEGEL] Will those who imposed martial law, such as General Jaruzelski, be brought to trial?

[Walesa] A few things still have to be clarified in this connection. One theory says that the general saved us from Soviet intervention. Public prosecutors and historians should decide that. We should not make the mistake of looking for culprits in the past to divert attention from our own mistakes and difficulties in the present.

[DER SPIEGEL] Your former spokesman Jaroslaw Kurski once said: "Lech Walesa has armies of helpers but no real friend."

[Walesa] My friend is Poland. I have a certain task to fulfill. This is not a question of friendship but one of raison d'etat. Now, during the establishment of democracy, I have to change horses occasionally.

[DER SPIEGEL] Are you saying that the president's office is a tough job?

[Walesa] I do not even have time to count my awards and medals. I thought that it would be easier, but, instead, things are becoming increasingly difficult. There is a certain truth in the saying: The deeper the forest, the more trees there are.

[DER SPIEGEL] Do you at least occasionally have time to go fishing?

[Walesa] No, I do not have time. And the fish simply do not come to me.

[DER SPIEGEL] Mr. Walesa, thank you for the interview.

Prime Minister Olszewski Reveals Political Plans

AU2301060192 Warsaw TYGODNIK SOLIDARNOSC in Polish 10 Jan 92 pp 1, 10, 11

[Interview with Polish Prime Minister Jan Olszewski by Joanna Jachmann, Andrzej Gelberg, and Wojciech Gielzynski on 29 December; place not given: "Third Republic, Third Government, Third Path"]

[Text] [TYGODNIK SOLIDARNOSC] It is Sunday, 29 December. Six days ago, the cabinet that you proposed received the Sejm's approval, and the first meeting of the cabinet, which took place two days ago, was criticized by almost all political groupings. The cabinet was to be made up of specialists and outstanding personalities, but

there are at least a few ministers whose names are a puzzle: What special reasons were there for choosing them? We are surely not being tactless if we ask what the underlying principle was in forming the government, and was the failure to appoint even a single deputy minister an indication that talks are being held, or will be held, on expanding the government's political base to include the Democratic Union, the Polish Peasant Party, or, perhaps, the Confederation for an Independent Poland?

[Olszewski] From the outset, I did not conceal the fact that the formation of the government would not be considered something final. Besides, I said as much in my Sejm inaugural speech. I formed the government under a great deal of pressure in the sense that time was running out, and there were also certain other difficulties that I have talked about. I realize that the team that I managed to put together does not represent the best possible solution. It is, however, the best solution at the present time. Wherever possible, I did not close any doors behind me, so that I would be able to hold talks on participation in the government under more relaxed circumstances, that is, without having to nervously keep an eye on my calendar and watch. I think that the way I acted was justified, and it gave my prospective partners time to consider their standpoints and to define them more precisely. During the formation of the government, a response I often encountered was one of agreement halfway: "We will consider your proposal, and we might enter the coalition, but we need about two weeks." Unfortunately, those two weeks were not available. I think that now that the government has been formed and is functioning, the time for calm and thoughtful negotiations will come.

[TYGODNIK SOLIDARNOSC] It is no secret that, among the ministers who you nominated, there were people who agreed to head a particular ministry and then changed their minds the following day. Did the talks held with the president on Saturday [21 December] cause them to change their minds and if so, in what way?

[Olszewski] Minister Skubiszewski might be the best example.

[TYGODNIK SOLIDARNOSC] But is he the only one?

[Olszewski] No, there were also others. But there were also cases in which intervention by the president did not help—there were people who believed that once they had changed their minds, they had to adhere to their stance.

[TYGODNIK SOLIDARNOSC] What made people reverse their original decision to accept a nomination?

[Olszewski] It was related to appointments in those ministries that come under so-called dual authority, that is, constitutionally they are subordinated to the president. Candidates for heading those ministries believed that the very possibility that differences of opinion may arise was sufficient reason for not accepting such a mission.

[TYGODNIK SOLIDARNOSC] You seem to be sidestepping the question of the extent to which the government is the government of specialists that was promised....

[Olszewski] It is undoubtedly a government of personalities and made up of people in whose skills I have complete confidence.

[TYGODNIK SOLIDARNOSC] Let's turn to your inaugural speech and a more precise explanation of the points made in it. "A government of continuity or a watershed government?"—that was something that was being discussed as the cabinet was formed. Do these terms still make sense, especially in relation to the national economy?

[Olszewski] Let's try to explain the concept of continuity. I maintain that any government formed at the present time must in some sense be a continuity government, if only because the date of elections meant that a government elected by the new parliament will, for at least the first quarter of next year, be bound by what the old government left behind. It was not possible for a new government to prepare a budget and the basic principles of the socioeconomic policy connected with it, and that means we have to take over the provisional budget that was prepared by Prime Minister Bielecki's cabinet, when public finance was in a catastrophic state. Both the economic and, above all, the social aspects of the proposed budget are quite appalling, but there is no getting round that. Were we to try to introduce changes to the provisional budget, then we would face a situation in which we would have no budget at all on 1 January. So, we are compelled to carry on with what was imposed on us, and adjustments can only be of a minor kind. There is very little room for maneuver, which does not, however, mean, that we will not to try to increase that room for maneuver. An example of the steps that we will take in this area is changing the position on individual state enterprises, that is, finding a solution that will seek to accelerate the liquidation process or accelerate the gradual restructuring of the enterprises.

[TYGODNIK SOLIDARNOSC] Your government is somewhat incapacitated for the first quarter of 1992.

[Olszewski] The public finance situation has placed it in a tight corner.

[TYGODNIK SOLIDARNOSC] Does that mean that the second quarter will see the beginning of a period in which the Bielecki government's economic policies will no longer be pursued? What steps will the government take starting in April? Can you describe them in terms of a number of points that the average citizen will understand?

[Olszewski] I tried to indicate the basic points in my inaugural speech. Above all, in two months' time we intend to submit—I publicly pledged to do so on behalf of the government—a comprehensive program covering a period of two to three years. Government economic

specialists consider a three-year period to be more rational, and there are certain general points that can be described and outlined with a high degree of probability. One basic issue is to introduce, as quickly as possible, measures that will enable those state enterprises that can develop, but have been led to the verge of bankruptcy by an erroneous fiscal policy, to stage a recovery. There are many plants that have found themselves in a crisis that is artificial, and whose chances of survival in the marketplace are great, especially if they exploit export opportunities. It is a part of industry that can start to function efficiently in a relatively short period of time. The Central Planning Administration and above all the Ministry of Trade and Industry are acquainted with this subject.

The other aspect of reorganizing and making state industry more efficient should involve speeding up the liquidation of those enterprises that stand no chance of continuing to exist and have only survived until today, because no one had the courage to address the issue. It was like waiting for a miracle that could never happen, because the plants were primarily ones that were producing for the needs of the Soviet defense industry. Now that that industry no longer exists, it makes no sense at all to maintain the majority of those factories.

[TYGODNIK SOLIDARNOSC] The closing down of any enterprise means unemployment, which is something that people fear much more than price hikes. By opting for a program that envisages the closure of plants that have no prospects, you also have to put forward a program that will makes it possible to minimize the effects of such moves.

[Olszewski] We are preparing a program of that kind. Nevertheless, people cannot be permanently kept in a state of uncertainty. They have to realize that a particular chapter is drawing to a close and other possibilities have to be sought.

[TYGODNIK SOLIDARNOSC] In your inaugural speech, you talked about public works and the modernization of industry in small towns. However, public works are incredibly expensive. Has any consideration been given to the possibility of employing so-called intermediate technology, which has been successfully used in third world countries or to self-organization by the poorest groups in society along the lines of the Brazilian mutirao? In a situation in which we have two societies—one that is rapidly growing rich and another that is rapidly growing poor—perhaps we should resort to unconventional solutions?

[Olszewski] I agree, but a public works plan is not that unrealistic. For example, talks are being held on the subject of building freeways that would be financed from abroad. In addition, we still have significant loan facilities—of the order of several billion dollars—that we have not used and which could be released into the economy.

[TYGODNIK SOLIDARNOSC] Nevertheless, there were will be places where it will not possible to implement public works programs, or where they will be on a scale that means that they can provide an antidote to unemployment.

[Olszewski] Each case has to be treated on an individual basis, and the solutions that are best for a given local community have to be found. The housing situation is unfortunately such that we cannot move manpower, which is something that would alleviate the situation a great deal.

[TYGODNIK SOLIDARNOSC] Are these not problems that should be dealt with by local councils?

[Olszewski] Of course, but their apparatus is still very weak. To return to general issues, I think that the elimination of delays in the effecting of payments would offer a lot of relief to the entire economy.

[TYGODNIK SOLIDARNOSC] Without printing more money?

[Olszewski] The obstacles that exist in a significant part of the economy could be removed if a compensation system were to be introduced. It is only a question of creating clearing institutions.

[TYGODNIK SOLIDARNOSC] Your approach to privatization is clearly different from that of previous governments.

[Olszewski] I believe, above all, that if we are to obtain public approval, then the issue has to be presented in such a way that significant social groups and not just a narrow circle of people who possess money see that they stand to gain from it. Currently, privatization is of interest to people who belonged to the old political nomenklatura or representatives acting on behalf of foreign capital. I think that there have to be several methods of privatization, because, after all, the privatization of a state-owned apartment will differ from the privatization of a large factory. I am convinced that it is necessary to encourage a form of privatization that has been completely neglected of late, that is, employee share ownership, and I also think that the inclusion of the rundown Social Security Agency in the privatization of public assets will make it possible to rebuild the agency, in a relatively short period of time, as an institution that really does manage the money that employees pay into it.

[TYGODNIK SOLIDARNOSC] Do you think that part of the economy should become the property of the Social Security Agency?

[Olszewski] The Social Security Agency was plundered by the communist state, so it is due some compensation. The money did, after all, belong to employees.

[TYGODNIK SOLIDARNOSC] Mr. Prime Minister, society is still stunned by the several financial scandals that were at first extensively reported on by the press and were later clearly hushed up; the Foreign Debt Servicing

Fund affair is just one example. As a lawyer, you will no doubt be particularly sensitive to such matters. Do you see any immediate possibility of clearing up the affair, or do we have to wait for the creation of an entire legal system that would make it possible to combat such phenomena? Time is being lost.

[Olszewski] I think that the most serious scandals definitely have to be dealt with more quickly, and the state attorney apparatus has to be galvanized into action. I would not hide the fact that the situation is awkward for completely banal reasons—for example, there are witness who have to travel to be interviewed, but there is no money available to reimburse their travel costs. An investigation into the Foreign Debt Servicing Fund affair is in progress, but is it being pursued with sufficient vigor? I think that it is necessary to step up the activities of law enforcement and supervisory agencies. This not only applies to affairs of the Foreign Debt Servicing Fund and ART-B [company involved in banking scandal] kind, but the dozens of scandals at the local level that the regional press reports on every day. Because no one presses for an investigation into these affairs strongly enough, usually nothing is done at all.

I do not exclude the possibility of legislative changes or at least the abolition of regulations that cause complete inertia on the part of the justice apparatus.

[TYGODNIK SOLIDARNOSC] The manner in which Poland is emerging from communism is surprising. One the one hand, we are dealing with fundamental institutional changes and the introduction of a free market economy and on the other hand, there is still a network of communist ties that has a hold on Poland. What do you understand by decommunization (which was strongly emphasized in your inaugural speech) and what does it entail?

[Olszewski] It means, above all, embarking as quickly as possible on structural changes in all areas of public life and in all areas of the bureaucratic apparatus that encompass these structures. This not only applies to the state apparatus, because to some extent it also applies to quasi-state economic institutions such as, for example, banks and the cooperative movement. Despite the personnel changes at the top, the middle-level apparatus has to a large extent remained the same. That is not the only point—the structures themselves, which were geared toward serving an entirely different system, have not been changed and are not suited to current tasks and social needs. It is essentially a legacy of communism that still imposes a heavy burden on us and slows down the pace of institutional change.

[TYGODNIK SOLIDARNOSC] How do you want to deal with the the problem ?

[Olszewski] One has to start with the organ that is to institute decommunization, that is, the government. The first indication of "changes at the highest level" was the appointment of temporary heads of some economic ministries. The ministries are ones that are to be abolished or are to undergo a fundamental reorganization. So, we will reorganize the government first, and the reorganization of the regional state administration and economic structures is the next stage. Vetting at the level of the most senior state posts will in a way occur automatically; it is linked to the new political landscape that has emerged following the elections, to the formation of a new party setup, and to the appointment of a new government. As far as specialists are concerned, I think that it is enough to check professional skills, ascertain a degree of loyalty and efficiency, and the past party affiliation of the people who are selected in this way will not be of primary importance, on condition, of course, that they are not people who played a prominent political role in the communist system.

I think that if structural transformations are instituted consistently, then, on the one hand, people who performed substantial services for the old regime will drop out, and, on the other hand, the path to advancement will be open to people who are outsiders.

[TYGODNIK SOLIDARNOSC] That sounds rather mild. Does that mean that the kind of decommunization measures that were introduced in Czechoslovakia, where the issue has been settled by means of legislation, will be rejected in Poland?

[Olszewski] That kind of solution might have made sense in Poland two years ago. Times moves on, and although two years ago a decommunization process defined by law would have greatly speeded up and advanced the emergence of new political forces, I believe that today those forces are sufficiently established to be able to operate naturally without having to resort to instruments of a strictly legislative character. Today, such an approach would cause too much controversy in the political system at a time when we are facing tasks of unprecedented difficulty connected with the economy above all.

[TYGODNIK SOLIDARNOSC] Is the failure to use the law to implement decommunization two years ago what inclined you to establish a turningpoint with the appointment of your cabinet, which is to mark "the beginning of the end of communism in Poland." There were two passages in your inaugural speech that were roundly criticized, although from a variety of angles: "The beginning of the end" was perceived as an unwillingness to give your predecessors their due and the statement that the Sejm is the highest organ in the state was interpreted as almost amounting to a declaration of war directed at the Belweder Palace.

[Olszewski] You may recall that the introductory part of my Sejm speech was a historical appraisal of the stage that we have reached. I think that that is the context in which my statement about the supremacy of the Sejm has to be viewed. It not only reflects my views, but is also in keeping with the Polish tradition that the institution representing the nation is always the highest organ in a sovereign state. That was the case in 1918 and that is the

case today, when we campaigned for free elections in the belief that only then will we really start to build democracy. The direct election of the president was the first occasion on which the general will of the nation was expressed as such, but it was only one stage on the road to free parliamentary elections.

Perhaps I really did not express the thought underlying that statement clearly enough, so I will use this opportunity to elaborate on it. To my mind, the role of the president and of the office of president is different during a so-called transition period from the role that the president should perform in a state that has a stable democratic system. In fact, the head of state actually did have a very great role in 1918. At the present time, during this transition period with all its attendant dangers (including possible external dangers) the president should also have a significant role and one that is very prominent. The president should be an equal partner for parliament during this period. However, I see the future, once there already is an established system in the republic, differently. I think that clearly stating that parliament is the highest organ is in keeping with the Polish tradition.

[TYGODNIK SOLIDARNOSC] What about the dismissal of previous governments?

[Olszewski] There was nothing to that effect in my speech. I spoke about the beginning of the end of communism in that I regard communism as an element that is in some way still involved in the government of Poland. To a certain extent, both previous governments reflected the continued existence of dual power; the first was of course a government in which the communists participated. Both governments existed in a system in which parliament was the product of a contract and had a nomenklatura majority, the government included people representing the old order, to mention just the minister of national defense or the minister of communications, the ministries of strategic importance at any rate. Let's be honest, both the Tadeusz Mazowiecki and the Jan Bielecki governments functioned within a framework that was imposed by the contract concluded at the roundtable with all the consequences that that entailed. I would like my government to introduce a certain degree of clarity into the situation—to see the period of dual power end.

[TYGODNIK SOLIDARNOSC] A government that intends (this is an assumption, because we still do not have any concrete information) to depart from the economic policies of its predecessors to a large extent and wishes to institute far-reaching changes in the state administration will not manage all that well under the normal legislative process. Do you intend to request special powers for the government because the president has withdrawn his draft "small constitution," which would have created certain possibilities in this respect, from the Sejm?

[Olszewski] We have to wait for the decisions that the commission will reach once it has completed its work, as it is still working on the issue, although the draft itself has been withdrawn. Perhaps, although I personally doubt this very much, the bill will contain such extensive powers that we will not need to propose bills of our own in this area. However, I assume that there will be a general provision that will allow the government to be accorded the right to issue directives with the force of law under an extraordinary, that is, nonconstitutional procedure. That would be the best solution, because if we were to request special powers, the outcome of the vote would be would be determined by the simple-majority principle.

I think that if such opportunities arise, we will request special powers for at least a year and they will only apply to two areas, the reorganization of the state apparatus and economic issues that can only be resolved through legislative changes.

[TYGODNIK SOLIDARNOSC] We have decided not go into the details of the foreign policy that you intend to pursues, but there are at least two questions that we should ask about foreign policy. The policy shift that you want to effect in the economy, that is, the abandonment of monetarist doctrines in favor of fighting the recession, will no doubt give rise to concern in Western financial circles. The concern is already perceptible. Both the IMF and the World Bank were counting very heavily on Bielecki's concepts, that is, on full-fledged liberalism. Are there any indications that Western financiers would be prepared to accept the turnaround that you have announced, that they can understand the situation in which Poland finds itself? And will a change in economic priorities not be an obstacle on the path to Poland's inclusion in all the structures in the Western world?

[Olszewski] I do not think so. Why not? It is true that it is believed that the International Monetary Fund, the World Bank, and international financial institutions view Poland in terms of the Bielecki government or Balcerowicz's antiinflationary program. This belief, which is held in certain quarters of Poland's political elite, lacks any real foundation. Let's look at what is actually happening—the IMF already stopped implementing its program a few months ago, when it turned out that the indicators contained in the letter of intent proved to be unrealistic (incidentally, I believe that they were unrealistic from the outset). The IMF had to act accordingly, which does not, however, mean that contacts have ceased. Talks will be held, completely new indicators have to be formulated, and solutions that are appropriate to the situation in which Poland finds itself have to be adopted. Names should not be an obstacle, especially as some of the people who will conduct the negotiations, including the finance minister, are already well-known at the IMF.

[TYGODNIK SOLIDARNOSC] What about the Polish National Bank?

[Olszewski] I am very concerned about the issue of the bank, but that does not lie within my sphere of responsibility. The appointment of the president of the Polish National Bank has to be settled between the president and parliament, and it would be a good thing if it were settled as quickly as possible. The absence of a permanent central bank head for many months now makes our work much more difficult.

[TYGODNIK SOLIDARNOSC] Let us return to your Sejm speech for a moment. It contained a passage about establishing a better relationship with society, about eliminating the division into "us" and "them." We would like to ask about the kind of information policy that you will pursue, as that was something that both previous governments did not have. Do you intend to regularly inform society about the work of your cabinet and how do you intend to do that? The new government spokesman's first public appearance was not particularly successful.

[Olszewski] We must, above all, work out a completely new information policy model. Treating the government spokesman as the only person who is responsible for all contacts between the authorities and society is the model that was established by Jerzy Urban in his day. So, I deliberately appointed someone who has great organizational ability and unconventional ideas, someone who does have some experience as a journalist, but, at the same time, comes from outside that community. The first thing that I advised him to do was to draw up a program for the way in which the information bureau should work and operate. Perhaps we will try a new approach to informing society about what the government is doing. I do not think that it should only be the job of the government spokesman to do so.

[TYGODNIK SOLIDARNOSC] Do you intend to personally explain the government's standpoint on television for example?

[Olszewski] Unfortunately, I do not have experience in appearing on television. It is something that I would have to learn, and my impression is that I will not have the time to do that.

[TYGODNIK SOLIDARNOSC] Nevertheless, it would appear that there is an urgent need to keep society informed. At the moment, society is being threatened with the prospect of 1992 being "even worse," which can only prompt anxiety, whereas what we all really need is hope. What hope would you give us?

[Olszewski] People have to be told the truth above all, even if the truth is painful. The most important two areas for society are the economic and social. We will shortly try to submit an immediate program of action. The economy is still in decline, so it will be necessary to make sacrifices, but we will try to define the point at people which we will begin to move forward more precisely. That should create a better feeling in society. Concerning social welfare, we will try to draw up guidelines for who gets what, and why, as quickly as possible. Theoretically, at the moment people are entitled to a great deal, but in practice, because the state's coffers are so empty, they often get nothing at all in practice. During the transition period, who should get what with regard to health care, social welfare, and unemployment should be perfectly clear. So, we have to have the courage to say "entitlements are very extensive, but that is so in a purely theoretical sense, because we cannot afford to provide what formal obligations require." The government of a poor state must ensure social welfare benefits and entitlements for those who absolutely need them, for those who would otherwise be unable to cope.

[TYGODNIK SOLIDARNOSC] Can a government that says that things will get tougher, that it will be forced to increase the hardship and curb entitlements be called a government of hope?

[Olszewski] I think that it can, if it can indicate a path leading out of the crisis.

[TYGODNIK SOLIDARNOSC] You are held to be someone who has a strong character, a strong will, and high ethical standards. It is widely held that such people must have someone who serves as their role model, as a point of reference. Who would that be in your case?

[Olszewski] I know that it is quite a popular view that people have a role model, or it is at least expected that they do. I do not have a moral patron. I am of course familiar with the Polish tradition, which dictates that there are situations in which tasks that border on the impossible have to be undertaken. This often applies to people who do not possess particularly great or outstanding qualities, but who, in my opinion, deserve the deepest respect. I like to turn to the traditions of the Second Republic during its first period most of all—I have no doubts about who I would choose then: Narutowicz. He was someone who was not a professional politician and was aware of the exceptionally difficult nature of his mission, but who realized that circumstances had created a situation in which he was needed. The other politician who springs to mind is Wojciechowski. He was neither popular nor held in particularly high regard, but he was nevertheless outstanding, possessed great strength of character and an enormous sense of civic duty. I could mention dozens of such examples.

[TYGODNIK SOLIDARNOSC] So, could you try to elaborate on the theme of "politics and morality?"

[Olszewski] To my mind, it is quite clear how the terms "politics and morality" should be defined—there is no political end that can justify the abandonment of fundamental moral principles. On the other hand, I realize that no politician can expect to be canonized if he wants to make a name for himself as an effective politician.

New Agriculture Minister Jankowski Outlines Views

AU2101095592 Warsaw RZECZPOSPOLITA in Polish 13 Jan 92 p 1 Economy and Law Section p I

[Interview with Polish Agriculture Minister Gabriel Jankowski by Edmund Szot; place and date not given: "I Have Not Changed My Views"]

[Text] [Szot] Minister, you have often said that in your view agriculture should constitute the cornerstone of the Polish economy. Does that mean that it should provide employment for a greater number of people or should agriculture account for a larger share of national income? Could you elaborate on what you mean?

[Jankowski] It can be understood as the cornerstone in a number of ways. I wanted to make it clear to decision-makers that there is no country in which other sectors of the economy can develop well when agricultural issues remain unresolved. In the entire civilized world, there is not one case of an economy prospering while agriculture is neglected. In Poland, too, it is not possible to push the peasant farmers into the Baltic and build "a beautiful industrial Poland" instead. The development of agriculture is also important for our country, because farming provides employment for a very large number of people, because almost 40 percent of national assets are tied up in farming and because the food industry and its performance have a fundamental impact on the supply of goods to the marketplace.

[Szot] When you were the leader of "Rural Solidarity," you advocated the introduction of guaranteed minimum prices, cheaper loans for farmers, and protecting domestic produce with the help of higher import tariffs. How do you see those demands today?

[Jankowski] Those, as you put it, demands of mine were formulated differently. One demand was indeed composed of the three elements that you mentioned, but there was a second one that concerned changes in the environment surrounding agriculture. Meeting the first demand would have ensured stability in the agricultural marketplace and efficiency, but without changes in the environment surrounding agriculture, that is, without a true cooperative system, without farmers having a share in the income from the privatized environment, this first element would not function properly and vice versa. So, these are issues that cannot be separated from one another.

[Szot] So, let's not do that, but do you realize how much it would cost to satisfy those demands?

[Jankowski] Society must also realize that if agriculture is neglected, then it will not be possible to attain other objectives. Of course, what remains an open question is the extent to which these issues are resolved and the period of time involved. At the moment, for example, there is a pressing need to expand food processing. We must rapidly move from being an economy producing commodities without processing them to being an economy that processes, an economy of the kind that exist in EEC countries, and in three years' time access to markets will be unrestricted. If we do not use this three-year period properly, then there is a danger that our agricultural market will collapse.

[Szot] Do you believe that the terms for Polish farming negotiated in the EEC association agreement are adequate, or do you think that they need to be renegotiated?

[Jankowski] As a matter of fact, I will be discussing this very matter with Minister Olechowski in 15 minutes' time. I will try to convince him that farming representatives were inadequately represented in the negotiations as was the case with the so-called Uruguay round of talks. Only one agricultural expert took part in them, and farming had no form of political representation.

[Szot] Poland ranks seventh in Europe in terms of the size of its population; fourth in milk production; seventh in meat production; sixth in sugar production; eighth in egg production; and second in the production of potatoes. So, all in all, its position in terms of agricultural production is higher than its demographic position. It is also being said that we do not export enough in contrast to what we import, which is said to be strangling Polish farming. At the same time, in some regions of Poland children go to school without having had any breakfast. So, who do you think eats all that we produce?

[Jankowski] Our exports of agricultural produce are not that low. The value of produce exported last year was about 1.5 billion dollars. We are net exporters of food. Of course, per capita, our agricultural exports are lower than in other countries, so there still is a lot of potential that is not being exploited.

[Szot] However, agricultural exports still have to be subsidized....

[Jankowski] That is an unfair way of depicting the issue. If, thanks to these exports, we can ensure employment for people at a lower cost, if we can guarantee them an income, then, after doing all the calculations, it would probably turn out that it pays to subsidize agricultural exports in return for peace on the labor market and for more employment for society. Let's not forget that agriculture not only ensures work for farmers, but also for people who provide services to agriculture in areas such as commerce, processing, and scientific research, and that altogether agriculture constitutes an agrarian business sector, one that is only coming into being in Poland.

[Szot] At your first news conference, you said that you would seek to change the population's spending patterns, so that food would account for a smaller share of household expenditure. How do you intend to achieve that?

[Jankowski] I only indicated that food accounts for an unnaturally high share of expenditure. That shows that it cannot be any higher, and it is also one measure of how affluent a society is. The less society spends on food, the more it can spend on automobiles, recreation and so on.

However, that can only be achieved by increasing productivity in the economy as a whole, including agriculture. I want to tackle this issue in the context of agriculture.

[Szot] Minister, between 1960 and 1982 productivity in Polish agriculture rose by only 14.4 percent... whereas during the same period it rose by over 300 percent in the FRG, France, Greece, Austria, and even Yugoslavia....

[Jankowski] That happened because the natural trend toward the concentration of land holdings was checked by the legal barriers imposed by Mr. Gomulka, who decided that holdings could have a maximum size of 15 hectares, or 22 hectares in the western territories, without a higher rate of taxation being applied. The second reason was the very poor state of the infrastructure serving agriculture. The efforts made by Gierek, who wanted to modernize agriculture and the food processing industry, proved to be inadequate.

[Szot] I understand that now that these barriers no longer exist, there will be a concentration of land holdings. However, where will the people who give up their farms go?

[Jankowski] They will only give up farming, which does not mean that they have to leave the countryside. For years we have been talking about a many-sided development of the countryside, and my view is that Poland's future and the future of the economy lie in the development of small towns and the countryside. The investment costs are much lower, because, by way of illustration, it costs much less to connect a home for one family to the water supply than it does to provide water on the tenth floor of a multi-storied building. In addition, I also envisage the development of structures outside the towns.

[Szot] At the moment, your hopes are not exactly being fulfilled. We are not witnessing dynamic investment in the Polish provinces.

[Jankowski] There are many reasons for that. First, there was no clear development concept for the countryside. That is why we are currently working on a concept that we want to realize using our own very modest budget resources, but, above all, we would like to use foreign aid for this purpose. We are currently holding talks with the World Bank, and we can detect a favorable reaction to our concept. We want to stimulate our smaller towns, which developed very well during the Middle Ages and then went into a steep decline following the Swedish invasion. When the towns went into decline, agriculture also came to a "standstill." I personally see small towns as having a great opportunity now.

[Szot] You talked about the need to develop the food processing industry. Which branches of the food processing industry would you say are going to develop the most rapidly?

[Jankowski] Those that have a large raw material base in Poland, such as the potato industry. For social reasons, I will also be campaigning for the development of the dairy industry. We also want to develop the fruit and vegetable industry, and that will require the creation of a system of commodity exchanges and markets.

[Szot] How do you expect agriculture to perform this year? Will the performance results for agriculture in some way help you to realize your aims?

[Jankowski] The weather situation is already problematic and that does not have to, but may impact negatively on agricultural performance. If there also is a wet and cool summer, the level of agricultural output may further complicate the economic situation in our country. In general, I expect output to fall, because the indications are already there, and for the third year running, sales of fertilizing agents are falling. The use of potassium and phosphorous fertilizers has been kept to a minimum and that of nitrogen fertilizers has fallen significantly. The increase in the cost of fuel has also impacted negatively on the use of agricultural machinery. The recession has also affected agriculture. There has been a disastrous decline in milk output. The effects are obvious: Dairy products are becoming more expensive and there are instances of shortages of dairy products.

Crises in the countryside always affect the towns, and no government can escape their consequences. Dairy plants are struggling to get milk, but, for example, much more milk in powdered form could be exported if the events at Malwa had not been interpreted as a "rebellion staged by backward peasants." I was a member of a delegation of farmers that held a meeting with Prime Minister Mazowiecki. The farmers were all about 30 years old and owned about 30 cows and about 30 hectares of land.... I hope that society will now devote more attention to the needs of agriculture. I am counting on the decline in agricultural output being arrested this year, and on output beginning to increase next year.

Stolojan Chairs Meeting on Foodstuff Prices

AU2201212492 Bucharest ROMPRES in English 1916 GMT 22 Jan 92

[Text] Bucharest ROMPRES, 22/1/1992—In the 22 January sitting of Romania's Government, chaired by Premier Theodor Stolojan, a report was examined on the methods for setting prices for meat, meat products and other foodstuffs.

The head of the executive pointed out that it was necessary that urgent steps be taken to stop the anomalies in fixing meat and meat product prices, existing especially on Bucharest market.

George Danielescu, minister of economy and finance, informed the members of the government on the results of checkings up made in Bucharest and in other localities, to identify the reasons for these soaring prices.

A number of measures were submitted to debates, especially the necessity that prices be checked up, which is not at all equal with a centralisation of prices. It was empahsized that administrative measures were imperative against those who have favoured and resorted to ungrounded increases in prices. The Ministry of Agriculture was made the recommendation to elaborate technical norms for the setting of meat prices.

For his part, the minister of agriculture, Petre Marculescu, told the members of the government the administrative measures established against a number of commercial companies, recently submitted to checkings up.

The agenda of the 21 January governmental sitting includes a weekly report on the power production, put forth by the minister of industry, Dan Constantinescu.

The members of the government are going to analyse a report presented by the minister of agriculture, Petre Marculescu, on the market supply and the phase of the application of the land law provisions.

Item four on the 22 January sitting agenda refers to foreign trade activities and the last item to draft normative acts circulated to the members of the government, for analysis and proposals.

In its January 22 meeting, the government heard an account on the supply of the population with staple foods. The minister of agriculture and food stressed that the needed raw materials for an adequate supply with bread, sugar, edible oil and meat were in store for the three months ahead, with the dairy products keeping still scarce but that an improvement for that item as well was hoped for February.

In connection with the progress of application of the land law, the head of the Privatization Department of the Ministry of Agriculture and Food submitted to the executive the problems emerged in that difficult and complex process. A number of suggestions were advanced for speeding up the entitled people's taking possession of the land until the granting of the titles of property, so that the land may be duly farmed next spring.

In the same meeting, the minister of commerce and tourism produced data on the foreign trade activity in 1991 as compared with 1990, mentioning that the commercial deficit in 1991 was smaller by some 500 million dollars as compared with 1990. He showed that both import and export in free currency last December reported tangible rises, i.e. 517.3 million dollars with export and 588.6 million dollars with import. He showed in his report that the share of the private economic agents on last year's export activity was worth some 655 million dollars, covering 19 per cent of the total export in free currency.

PNL Leader on Electoral Prospects, Lack of Funds

AU2301084892 Bucharest CURIERUL NATIONAL in Romanian 17 Jan 92 pp 1, 7

[Interview with Radu Campeanu, president of the National Liberal Party, by correspondent Andrei Alexandru; place and date not given: "The National Liberal Party Is Out of Funds"]

[Text] [Alexandru] Some people say that you regret your participation in the Democratic Convention [of opposition parties].

[Campeanu] Our joining this convention brings us no advantage or disadvantage. From an electoral viewpoint, I do not believe that we stand to gain anything. However, we joined it so as to enable the Romanian public to have a coherent image of the opposition. In this respect, we have received of late several disapproving messages from our local organizations. After the elections we will analyze whether our participation in the Convention was useful or not for the National Liberal Party [PNL].

[Alexandru] Do you believe that the local elections will be a test of the viability of this convention?

[Campeanu] Yes, you are right. It is going to be a test for the convention.

[Alexandru] However, in Ardeal you may alienate the Romanian electorate.

[Campeanu] I know that in seven counties of Transylvania the Hungarian Democratic Union of Romania [UDMR] will run separate lists in several constituencies, where, as a matter of fact, the convention is not putting up any countercandidates. However, common lists were put up in the great majority of constituencies.

[Alexandru] Has the convention worked out a united political program or is this a mere attempt to gather the opposition under the same roof to see the overall number of votes the opposition can rely on?

[Campeanu] Your assessment is correct. There is no common political program. There is no such thing, and consequently no loss of identity for any political grouping, either.

[Alexandru] What was the contribution of the Civic Alliance Party [PAC] to these lists?

[Campeanu] I do not have the centralized figure, but I can tell you that PAC does not have organizations in all counties. This party mainly operates in the big cities. One should take into consideration that it is a newly born party, still undergoing a process of consolidation.

[Alexandru] How do you fare financially?

[Campeanu] We lack funds. The most expensive thing is travel. We drive to the villages with four people in an automobile in order to save on gasoline. We started collecting money from our friends to finance the printing of our electoral posters. Party dues are not enough.

[Alexandru] At a news conference you held before the start of this electoral campaign you said that you will organize a serious referendum. Would you like to elaborate on this referendum idea?

[Campeanu] The referendum on the endorsement of the constitution was organized to finally decide on our constitutional system, namely a monarchy or republic. This is what I was referring to. That is why I presented the idea, which I will officially advance later, of holding a clear and honest referendum on our form of government. The people should only answer this question once they know the meaning of monarchy and republic, that is, when they are informed. I believe that right now the Romanian people do not know what a monarchy is. There is ignorance and confusion.

[Alexandru] If such a referendum were to be held, how would you vote?

[Campeanu] Let us first cross that bridge, then you will know my answer.

Spokesman Answers Questions on Bosnia Talks

AU2201212192 Bucharest ROMPRES in English 1930 GMT 22 Jan 92

[Text] Bucharest ROMPRES, 22/1/1992—During the talks held in Bucharest by Romanian officials and a delegation of Bosnia-Hercegovina, the wish of the two parties became manifest, to act for intensifying contacts and cooperation between Romania and Bosnia-Hercegovina, economic ones in particular, the spokesman for the Romanian Foreign Ministry, Traian Chebeleu, said at the 22 January news conference of the Romanian Ministry of Foreign Affairs.

The guests, mentioned Ambassador Traian Chebeleu, expressed their confidence that, by promoting a policy of respect for the peoples' rights to self-determination, Romania will adopt an active stand, of backing the actions for finding a solution in keeping with the will of the population of Bosnia-Hercegovina.

In connection with the official protest advanced by Yugoslavia to the Romanian charge d'affaires in Belgrade in connection with the recognition by Romania of the independence of Croatia and Slovenia, Ambassador Traian Chebeleu, Foreign Ministry spokesman, said in answering questions at the weekly news briefing that the Romanian Government rejected that protest as groundless, by virtue of the peoples' right recognized unanimously, even by Serbia, to self- determination.

The Foreign Ministry spokesman also presented arguments in reply to the questions posed in Romania's Parliament on the same matter.

Rejecting the assertion that the recognition by Romania was not consistent with the principle of the right to self-determination, that the government of Croatia did not recognize that principle in the case of the population of Serbian origin living in its territory, hence that Romania entered into relations with a state the frontiers of which did not match the ethnical frontiers, Ambassador Chebeleu maintained that "the right to self-determination belongs, in Croatia's case, to its people, which is not questioned even by Serbia. The Serbians in Croatia are a minority and according to the generally accepted international law the minorities do not have a right to self-determination."

"On the other hand," Chebeleu added, "I, for one, do not know of any state in Europe or elsewhere in the world the geographic frontiers of which match the area of ethnical dissemination.

"By recognizing the independence of Croatia and Slovenia," he replied, "Romania's Government did not take any stand on the matter of frontiers. We have emphasized it that as regarded the covenanting of frontiers, that should be decided round the negotiation table, in harmony with the principles of international law."

Referring to the reproach that by recognizing Croatia and Slovenia Romania turned its back on a century-old past of friendship between Romanians and Serbians, the Foreign Ministry spokesman explained that "the recognition of Slovenia and Croatia means in no way unfriendliness toward Serbia. On the contrary, as we have permanently stressed it, we have fine relations with Serbia."

"I do not see any connection," he concluded, "between the situation of Yugoslavia and Czechoslovakia—federal states—and Romania, as a unitary state."

Commenting on the declaration of Croatian Foreign Minister Separovic regarding the idea that by recognizing his country's independence Romania has turned into its ally against Serbia, Ambassador Chebeleu said: "I do not rule out now the possibility that any politician should turn to his own advantage certain political acts, including political acts of an international character but,

as far as Romania is concerned, I want to stress it that it is not about going into an alliance with someone against someone else in the case of the Yugoslav republics. It is an expression of the impartial policy our government has adopted towards all Yugoslav republics, an impartial policy yet, I stress it, of friendly and cooperative relations."

Referring to the negotiations at expert level on the conclusion of the treaty between Romania and Germany on friendly relations and partnership in Europe, Foreign Ministry spokesman Traian Chebeleu announced at the news briefing today that the versions of the treaty in the two official languages would be compared in the next stage. If it would be considered opportune, a new meeting of the two delegations could be held on February 16.

The agenda of the meeting for making final and endorsing the program of UNDP [United Nations Development Program] technical assistance for Europe in 1992-1996 in Geneva, includes two projects of direct interest to Romania, reported Foreign Ministry spokesman Traian Chebeleu in his weekly news briefing. The two projects refer to environmental protection in the Danube basin and in the Black Sea, the financing of which will be participated in by the World Bank, the European Economic Communities, the EBRD [European Bank for Reconstruction and Development], the U.S.-Aid and other donors.

Some 25 tourists from Romania saw themselves unable to return to the country, said the Foreign Ministry spokesman in his weekly news briefing on January 22.

They were on a party of about 70 who travelled to South Africa by a TAROM plane, hired by private companies with headquarters in Bucharest—Globinvest SRL and Air Antares SRL, that, in exchange of substantive fees in lei and foreign currency, promised them complete tourist services, as well as the possibility to return to Romania after about one month.

It resulted that the two companies did not keep their promises that, among other things, included possible job opportunities in South Africa.

In consideration of those Romanian citizens' deplorable situation and the indifference of the two companies, the Ministry of Foreign Affairs, with the executive's approval, provided for their return home.

As regards certain reproaches "Magyar Kossuth Radio" made on 18 January as regards the so-called official reserves of the Romanian Government to the visit to Chisinau [Kishinev] of the head of the Hungarian diplomacy, Geza Jeszenszky, and to the opening of diplomatic links between the Republic of Moldova and Hungary, the Romanian Foreign Ministry spokesman said at a Wednesday, 22 January, press conference, that "no official stance has been taken on this event. It is considered to be a routine diplomatic action," and "we only react when Romania's interests are at stake."

As for the echoes of the statement made by the Russian president, Boris Yeltsin, according to which Moldova's joining the Commonwealth of Independent States [CIS] would trigger Romania's adherence to CIS, Ambassador Traian Chebeleu said that "Romania has not been invited to enter CIS and it has no interest in the matter."

In the context, the Foreign Ministry spokesman showed that the bilateral treaty concluded between Romania and the former Soviet Union was out-of-date, null and void, as one of the signatories does no longer exist.

Ambassador Traian Chebeleu opined that in a first phase of the relations between Romania and Ukraine, that have not yet established diplomatic relations, the problem of the right to North Bukovina, that is a matter of dispute between the two states, would not be raised.

As for the postponement of the visit to Romania of the head of the French diplomacy, Roland Dumas, Mr. Chebeleu mentioned it was made at the request of the French Foreign Ministry.

Referring to the bilateral treaty to be concluded between Romania and Spain, Ambassador Traian Chebeleu said it was in a phase of active negotiations and was going to be put the final touches. It will possible be ready in the second part of February, when a visit is planned of the head of the Romanian diplomacy to Madrid.

The news conference ended with an answer to a question on the Union Convention [joint Romanian-Moldovan nongovernmental grouping] meeting to be held at Iasi. Mr. Chebeleu said the Ministry of Foreign Affairs had not been invited to that conference, organised at a nongovernmental level.

Free Trade Unions Leader Views Labor Contract

AU2301112792 Bucharest ROMPRES in English 0958 GMT 23 Jan 92

[Text] Bucharest, ROMPRES, 23/1/1992—The collective labor contract for 1992 signed on January 21 has a special importance from many reasons: it lays the basis of the Government-Trade Unions-Employers' Association triplet; it is an instrument to consolidate the democratization process in Romania; it represents a source of inspiration for the new labor legislation," Victor Ciorbea, leader of the National Council of the Free Trade Unions in Romania, stated to a ROMPRES editor.

Specifying that the collective labor contract includes minimum guaranteed rights for the trade union members in the three confederations (Alfa, Fratia and National Council of the Free Trade Unions of Romania), as well as for the employees adhering to them, the trade union leader said:

"The negotiations were held on the basis of a draft contract elaborated by the National Consultative Council, taking into consideration the similar models in states with advanced democracy as well as the experience

of experts of the International Labor Organization and of trade union centrals abroad.

"The negotiations with the representatives of the Employers' Association appointed by Romania's Chamber of Commerce and Industry started on December 23 and on January 27 we are to finalize the clauses referring to salary rights. As far as these clauses are concerned, taking into consideration the talks held so far and the government resolution concerning the minimum salary on the economy, it is quite sure we will have great difficulties in the negotiations with Employers' Association. We are determined to stand firm and to take action by the specific means of the trade union fight to get minimum salaries differentiated in the economy which should ensure the minimum necessary level of existence of the employees."

Labor Ministry Releases Data on Unemployment

AU2201182092 Bucharest ROMPRES in English 1713 GMT 22 Jan 92

[Text] Bucharest ROMPRES, 22/1/1992—Data supplied by the Ministry of Labour and Social Security show that the registered unemployed on the pay rolls of the labour offices on January 20, 1992, counted 302,041, including 173,950 women.

By professional training, they include 255,087 industrial workers, 38,050 high school leavers and 8,904 persons with higher studies.

There were also 10,092 persons for which payment of unemployment benefit was desisted at the expiry of the 180 calendar days of unemployment and who have not asked so far for an extension, according to the law. Of that number, 8,644 are industrial workers, 922 are high-school leavers and 526 persons with higher studies.

'Continuity of Yugoslav State' Recognized

AU2201153892 Bucharest Radio Romania Network in Romanian 1400 GMT 22 Jan 92

[Text] Today, 22 January, Traian Chebeleu, spokesman of the Ministry of Foreign Affairs, held his weekly news conference. During the news conference, he noted the following in connection with Romania's government recognizing the independence of Croatia and Slovenia:

The Romanian Government also recognizes the continuity of the Yugoslav state from which the two republics wished to separate themselves. Yugoslavia's continuity is an inalienable right of the Yugoslav peoples who, while exercising their right to self-determination, wish to stay within this state, under certain forms of association that they are going to decide among themselves. Therefore, Ambassador Traian Chebeleu said, Romania's embassy in Belgrade will continue normal activities and contacts with the existing federal authorities.

Nastase Seeks Hungarian Promise on Territory

LD2201214992 Budapest Kossuth Radio Network in Hungarian 1400 GMT 21 Jan 92

[Text] Romania insists that Hungary guarantee that it has no territorial demands. This is what Foreign Minister Adrian Nastase has set as the condition for opening the consulate in Cluj. At the same time, he acknowledged that the Romanians are prejudiced against opening Hungarian consulates in Transylvania. Nastase did not rule out the restoration of the Romanian borders that existed between the two world wars, but he said that this is only possible in the context of the European situation and on the basis of the Helsinki Final Act. The existence of the two Romanian states, that is Romania and Moldova, can lead to a gradual unification, just as in the case of Germany, the Bucharest foreign minister stated.

Federal

Kostic: UN Troop Deployment Not To Be Hampered

LD2301121292 Belgrade TANJUG in English 1053 GMT 23 Jan 92

[Text] Belgrade, Jan 23 (TANJUG)—Our side shall do nothing to hamper the deployment of "blue helmet" troops, vice president of the Presidency of Yugoslavia Branko Kostic says in an interview to the Belgrade daily BORBA.

The conduct of Croatian authorities will show if Tudjman has accepted the peace plan of Cyrus Vance in the hope that our side would not, or if he has truly accepted it as a chance to restore peace and then, in conditions of peace, seek a political solution to the crisis, says Kostic.

I believe that, before a comprehensive political solution has been found, Europe and the rest of the international community through the United Nations will have satisfied themselves as to who wants peace and who does not, Kostic says.

I have understood from the start all the fear experienced by the people and leadership of the Republic of Serb Krajina and all their reservations about the deployment of a "blue helmet" force, he says.

Serbs living in three regions within the administrative borders of Croatia proclaimed their republic last December. Under Vance's plan, UN troops should be deployed at a number of points in the Serb Krajina Republic.

The people in these regions have been subjected to genocidal persecution twice in this century, Kostic says. They have borne the brunt of the suffering and casualties in the present war. These people have witnessed numerous cease-fire agreements and truces violated by Tudjman's forces. Hence the reservations of both the people and the leadership about the latest peace plan are easy to understand. However, I believe that the reservations must not jeopardize the peace plan, Kostic says.

The deployment of peace-keeping troops means only an end to hostilities and a restoration of peace, after which a political solution is to be found to regulate the status of these people. Therefore, there can be no question of the people having been sold or of any trade whatsoever, the vice president of the Presidency of Yugoslavia stresses in his interview to BORBA.

Reorganization of JNA, Military Districts Viewed

92BA0386B Zagreb VJESNIK in Serbo-Croatian 7 Jan 92 p 8

[Article by Mladen Milosavljevic: "Two Armies, One State"]

[Text] Sarajevo—Whether it was a coincidence or not, it was precisely on the day of the Convention on the New Yugoslavia, 3 January, in Belgrade that the decision of the federal Army was made public to reorganize the military districts and their centers and also concerning certain personnel changes. Under that decision, there will now be four military districts in four republics, from which we can conclude that the Army has decided for the present to consolidate its position in Serbia, Montenegro, B-H [Bosnia-Hercegovina], and a part of Macedonia.

Everything for the Ultimate Goal

The reorganization was carried out under a decision of members of the SFRY Presidency from Serbia and Montenegro, who were also the sponsors of the meeting on new Yugoslavia that was mentioned. Thus yet another step was taken toward the ultimate goal, and that is creation of a new state structure without Slovenia and Croatia, one that perhaps would even be called Yugoslavia, but in which Serbia would have the role of hegemon.

It was evident that this logic has been and is the predominant one from the speeches made by the principal stars of the meeting in Belgrade (and not just that meeting): Vojislav Seselj, Mirko Jovic, Milan Paroski, and others who see in the future the former Yugoslavia within the framework of a new large state of the Serbian people, associated and brought together in several Serbian republics, from the present Republic of Serbia to the Dubrovnik republic.

That is why there is warranted suspicion that the so-called Belgrade initiative, removal of the insignia of the Socialist Federal Republic from the new federal dinars, the Convention on the New Yugoslavia, the new arrangement of the military districts and their commanders...were synchronized moves that were supposed to tighten still more the noose around Bosnia-Hercegovina and Macedonia, to lean toward that kind of state structure, and to demonstrate to the international public that it is better to accept that solution than to get total warfare in Yugoslavia and a broader Balkan conflict.

It is also evident that these were exceedingly deliberate moves in the fact that the members of the truncated Presidency are coauthors of the text of the documents of the Convention on Yugoslavia, which were supposed in some fashion to legalize the new state, but as a continuation of the state that has existed up to now, whose legal successes would be Serbia and Montenegro. It is very indicative, however, that the SDS [Serbian Democratic Party] of "Knin Krajina" did not sign the convention, that is, that the president of the "Assembly of the Serbian Krajina Republic" challenged the right of the four-member SFRY Presidency to represent the interests of the "krajina," including agreements with Cyrus Vance on bringing the blue helmets to Yugoslavia.

They Are Counting on B-H

It is obvious that the political and military planners were a bit premature as they hurried to confront B-H and Macedonia above all, but also the EC, with a fait accompli by speedily making moves before 15 January and the possible recognition of the independence of B-H and Macedonia. Judging by the results of the reorganization of the districts, the Army is still counting on B-H to a very great extent because after a lapse of four years it is again establishing in this region a military district headquartered in Sarajevo.

That military district, the 2d, includes not only the three existing corps, the Banja Luka, Sarajevo, and Tuzla Corps, but also another, the Bihac Corps. The 5th Corps, Air Force, whose headquarters is also in Bihac, is also in B-H. When one realizes that according to certain estimates this military district will have at its disposition about 60,000 soldiers and officers, and also that two-thirds of military facilities are located on the territory of B-H, then it is clear what kind of military strength is involved. Of the five corps commanders in B-H, three are Montenegrins and two Serbs, and the new commander of the 2d Military District, Colonel General Milutin Kukanjac, is also a Serb. This is in direct opposition to the demands of the Muslims and Croats in B-H that the military command personnel be ethnically balanced in that republic. In addition to the position of commander, there will also be general slots for the chief of staff of the district and assistant commanders for morale and the rear, nor is it precluded that certain other positions in the military command would be slots for generals, especially because there is no shortage of generals.

It is of interest that formation of the Bihac Corps, in combination with the Banja Luka Corps, closes the space of the two "krajinas"—the Bosnian and Knin Krajinas, and in the immediate vicinity of the Knin Corps, which also indicates the importance which the Army gives to that region and to future events in it. Lieutenant Colonel General Spiro Nikovic, commander of the Bihac Corps, previously headed the Knin Corps, and Lt. Col. Gen. Vladimir Vukovic came from that corps to Banja Luka to take up the position of its commander, while that position in Knin is held by Major General Ratko Mladic.

All Are Silent

Except for the surprise caused by formation of the four military districts headquartered in Titograd, because such a command never existed there, the other moves in the system of one republic—one district, not counting the third district (which embraces not only the territory of Macedonia, but also a considerable portion of Serbia), were more or less expected. It is unclear, however, why so far none of the official authorities in B-H or the largest parties have said anything in public about reorganization of the JNA [Yugoslav People's Army]. So far, only the Liberal Party of B-H has spoken out; its president, Rasim Kadic, referred to this as prejudicing the political solutions of the Yugoslav crisis.

The operation was carried out in great haste, and the question might also be put to the B-H Presidency and Alija Izetbegovic why the news about transformation of the JNA was made public only a few days after the conversation between the top republic leadership and the top military leadership in Sarajevo. Why did Izetbegovic not inform the public about the reasons for consenting to this transformation? Kadic asked, asserting that B-H still remains a captive of the undefined views of the Army.

However, B-H could even get its own army this year in view of the fact that in the B-H Defense Ministry they have already drafted a preliminary version of a law on defense of the republic, whose Article 162 regulates obligations of the republic and its authorities, as well as opcinas, in preparing and organizing defense and in the direction of Territorial Defense [TO], which would be subordinate to the B-H Presidency and that ministry.

Territorial defense would thus become the B-H army, comprising the armed forces of B-H together with the regular police and police reserves. The preliminary draft of this law is to go through regular procedure and will be taken up in a session of the republic government before the end of this month.

The preliminary draft does not mention either the JNA or any other form of joint armed force. Instead of recruits, it mentions conscripts who would get their professional military training within the B-H TO on the territory of B-H.

The Commander in Chief

The B-H defense law establishes the president of the republic as the commander in chief who "organizes defense and directs the armed forces in war and peace, including the authority to settle organizational and personnel matters of TO." The B-H Presidency would be able to declare a state of emergency, order mobilization of TO and use of police when it judges this to be necessary, independently or in response to a proposal of the ministries for defense and for internal affairs.

The B-H Defense Ministry would be the professional body for this sector, and the scope of its operation is defined in 15 articles. It would conduct policy and abide by guidelines in the area of defense and would specifically work on sending conscripts for training, replenishing and mobilizing the armed forces of B-H, and it would also perform administrative and organizational functions for TO. The ministry would also have district secretariats as territorial units and departments in opcinas.

The republic TO command would in future be entirely within the jurisdiction of B-H.

Its commander would be appointed by the B-H Presidency, he would be accountable to the defense ministry, but with respect to direction and command he would be accountable to the body that appointed him. The B-H defense law no longer mentions the term nationwide defense, but military defense, and refers to it as the broadest form of organizing and preparing citizens for armed combat. In any case, the new B-H defense law was prepared before B-H authorities sent the request to the EC for recognition of independence.

Unforeseeable Consequences

Formation of the Belgrade, Sarajevo, Skopje, and Titograd Districts, the Naval District headquartered in Kumbor, and the Air Force and Air Defense District, the remnants of the JNA, are obviously trying to consolidate positions as well and definitively as possible within the borders for which the battle will obviously yet have to be waged for them to become the boundaries of some new state structure. However, if after 15 January B-H is recognized as independent and if the new B-H defense law is adopted, what up to now has been the JNA could find itself in the role of a foreign army on B-H territory, which could have unforeseeable consequences in that republic. And not just in that republic.

Article Discusses 1992 Federal Budget Details

92BA0379A Belgrade POLITIKA in Serbo-Croatian 30 Dec 91 p 8

[Article by Biserka Matic: "Documents and Budget for 1992 Adopted"]

[Text] Faced with great uncertainties caused by the war in Croatia, by the decisions of Slovenia and Croatia to undermine it from within, and by the external challenge to its legality and legitimacy, Yugoslavia—it can be concluded after yesterday's session of the Chamber of Republics and Provinces of the Yugoslav Assembly—did nevertheless gather the strength at the last moment to make the entry into 1992 certain to some extent. That is, planning documents and the federal budget were adopted for the coming year, and this reference is primarily to credit-and-monetary and foreign exchange policy, the projection of the balance of payments, and the amount of 320 billion dinars, the amount that will be in the federal treasury, to finance the JNA [Yugoslav People's Army], for welfare of disabled veterans, for the operation of federal bodies and agencies, and for refugees.

The meeting of the Chamber of Republics and Provinces was attended by 43 delegates from Serbia, Montenegro, Vojvodina, B-H [Bosnia-Hercegovina], and Kosmet, in addition to Janko Vasiljevic, delegate from Croatia. Unanimity was characteristic of yesterday's session.

At the end of the session, Dragomir Rakic, vice president of the Chamber of Republics and Provinces, wished the delegates happiness and all the best, which in a country torn by war and difficulties has greater meaning than the usual New Year's greetings.

Adoption of planning documents and the federal budget for 1992 was preceded by introductory remarks of Slavoljub Stanic, deputy federal secretary for finance, and Dusan Vlatkovic, governor of the National Bank of Yugoslavia. The former, speaking about the budget, explained that the point of departure was this: Yugoslavia exists as a state, its institutions exist, and therefore certain functions of the state are to be financed. Nevertheless, there were a multitude of difficulties in "shaping" the budget, and for that reason the character of the budget was altered, and only the basic items were retained, and that in considerably reduced amounts. Reduced to a few purposes—current financing of the JNA (at a rate of 4.5 percent of the national income realized), military pensions, the operation of federal bodies and agencies, welfare of disabled veterans (including the pensions of veterans), and the fund for refugees, the federal budget for 1992 will largely (71.7 percent) be covered from the 10-year loan of the National Bank of Yugoslavia and less than 30 percent from conventional revenues: contributions of the republics and provinces (only 70 billion), the turnover tax (barely 5 billion, because the republics have appropriated that source to support their own budgets), and customs duties (slightly more than 10 billion dinars).

"The proposed budget is the result of the present situation the state is in," Stanic said, recalling that the functions of the Federation depend on a final agreement concerning the destiny of Yugoslavia. Nevertheless, the functioning of the federal state in the transitional period must be ensured, because uncontrolled disintegration of the economic system, as Stanic put it, hurts equally all citizens and all republics. This is yet another reason why the FEC [Federal Executive Council] will attempt immediately after New Year's to establish communication with the governments of the republics.

The budget adopted and proposed for the entire year, then, will certainly be adjusted when the destiny of the "third Yugoslavia" becomes clear. However, adoption of the budget was for a moment in jeopardy yesterday because of the opposition of the Montenegrin delegation. That republic is most pained by exchange rate differences, on which basis the Federation owes it a great deal of money, as well as by two other facts. First, the items of intervention in the economy and incentives for development of the underdeveloped were dropped from the federal budget, which will certainly aggravate still more the situation in the lagging Montenegrin economy. What is more, the Titograd-Rozaje railroad line, built as a federal investment project, has now been charged to Montenegro.

In the end, the Montenegrin delegation agreed to the federal budget in return for the promise of the Federal Executive Council that in the first quarter of the coming year it will propose legislation to relieve the Montenegrin trouble.

This can finally be said about the federal budget: It will amount to 320 billion dinars, of which 229.5 will be secured from the long-term credit of the National Bank

of Yugoslavia (repayment period 10 years, interest 5 percent per annum, first installment due December 1998). The appropriation to meet the needs of the JNA (current financing and military pensions) is 245 billion, for the operation of federal bodies and agencies 33.5 billion, for welfare of disabled veterans 26.3 billion, for aid to refugees 7 billion, and for current reserves 4 billion. There is no room nor money for the rest in what is referred to as the deficit financing of the federal budget, which will actually be financed from primary note issue (625 billion next year, half of that for the budget).

The governor of the National Bank of Yugoslavia believes that the basic precondition for "returning once again to the conduct of economic policy and economic problems is more than we are doing today—halting military conflicts." The point of departure in shaping credit-and-monetary policy and the conduct of macroeconomic policies for the coming year was the assumption, as Vlatkovic emphasized, of "the real need and possibility of achieving a halt of the conflict, and that in the quite near future." As for the area in which that policy is to be conducted, Vlatkovic said that the assumption was that monetary space, following secession of Slovenia and Croatia, is fairly clear, because those two republics excluded themselves from it on their own. That is, monetary policy in 1992 will apply to that space in which the dinar is the sole means of payment.

The series of decisions which the Chamber of Republics and Provinces adopted yesterday also included one which provides 480 million for housing construction in Kosmet. The housing construction, as is well-known, is related to the very rapid return of Serbs and Montenegrins who moved out of the southern province of Serbia.

The Decision on the Goals and Tasks of Joint Monetary and Credit Policy, which was adopted, creates the possibility that the bank's total deposit can amount to 535 percent more than this year. We also need to add that assuming retail prices rise 590 percent, an inflation of 20 percent is expected in the first six months.

[Box, p 8]

Foreign Exchange Reserves Are in a Safe Place

There are no problems or hindrances in the management and disposition of foreign exchange reserves which we are keeping abroad, Dusan Vlatkovic, governor of the National Bank of Yugoslavia, said yesterday in his review of credit-monetary policy in the coming year.

This was at the same time the answer to Vojvodina delegate Mirko Radulovic, who in yesterday's session put the question whether the National Bank of Yugoslavia "was still freely disposing of foreign exchange reserves placed in foreign banks in view of the current disposition of certain states to block those funds"?

[Box, p 8]

Terminate the Subsidy or BORBA

The Chamber of Republics and Provinces yesterday unanimously adopted a recommendation suggesting to the Federal Chamber that the subsidy for the newspaper BORBA be eliminated from the federal budget and transferred to the Fund for Refugees. Because the Federal Chamber, which is competent for adopting expenditures of the federal budget, is sitting today, the uncertainty over the financing of that newspaper will not last long.

The initiative to transfer the budget item for financing BORBA to refugee aid came from the delegation of Serbia. That recommendation, incidentally, mentioned not only BORBA, but also JUTEL. Aleksandar Mitrovic, vice president of the FEC, explained on that occasion that funds for JUTEL have not been envisaged in the federal budget. But as for BORBA, Mitrovic proposed that the item in the budget envisaged for the subsidy to BORBA be blocked and an analysis made at the beginning of the coming year of editorial policy and the rest that is happening in that newspaper, and if the Yugoslav Assembly—as the founder of BORBA—decides to terminate the newspaper, then the money would also be terminated.

Slovenia

DNEVNIK Reports Leaders' Expectations for 1992

92BA0372A Ljubljana DNEVNIK in Slovene 30 Dec 91 p 4

[Unattributed interview with President of the Slovene Presidency Milan Kucan, President of the Slovene Assembly Dr. France Bucar, and President of the Slovene Assembly's Executive Council Lojze Peterle; place and date not given: "Expectations for 1992"]

[Text] Ljubljana, 30 Dec (STA)—The year 1991 has been, above all, a year of great trials and struggles for the independence and sovereignty of the Republic of Slovenia. We asked President of the Slovene Presidency Milan Kucan, President of the Slovene Assembly Dr. France Bucar, and President of the Slovene Assembly's Executive Council Lojze Peterle what their expectations for next year were like.

[DNEVNIK] What are your expectations for 1992, and what should we pay most attention to, in your opinion?

[Kucan] Our efforts to gain international recognition of the young Slovene state will have to be replaced by efforts for economic cooperation with international

organizations and financial institutions. The future of the Slovene people depends on that cooperation, since we decided in the plebiscite that we wanted to become part of the European market and the broader European community, and now we have to achieve that. We must be aware, however, that cooperation in the international community also requires new responsibility on our part. If we want to promote our own influence and our own interests, we also have to be prepared to assume new responsibilities. We have to reconcile ourselves to the fact that the ability to live freely is also the ability to live responsibly.

Several years of continuing recession and declining economic growth cannot be halted quickly. We would accomplish a great deal by establishing new foundations for our economy. This also includes ending the squabbles over the property legislation. This would slowly turn the negative trends into positive ones. Unfortunately, we will not succeed in doing this without new foreign capital. Without private capital and capital from international financial institutions, one cannot count on effective structural adjustment, or on the restructuring and effective technological renewal of worn-out industry. With our great human resources, if we succeed in obtaining capital we could make use of the great advantages that Slovenia objectively has. We could also make use of the advantage that Slovenia has because of its long-standing presence in the European and world markets, as a result of which it has advantages over all the East European states. Not least of all, it is also necessary to make use of our geographic position, which gives our state an opportunity to penetrate the East European markets.

First of all, we have to rely on the great human resources that we have at home. Those resources are disunited and unutilized. Together with domestic intellect, we can seek foreign assistance, first in knowledge, and then in capital. We have become part of the European market, and that is why we must necessarily count on different ways of doing business, which also includes increased efficiency. We also have to count on all the qualities that that market entails. This is particularly important if Slovenia wants to become an active factor in Europe as early as 1993, and begin to realize the idea of a common market. That is why we have to start now to adapt our standards and our legislation to European ones.

[Bucar] We will have to prepare new elections, but we will pass all those laws by a two-thirds' majority, and I expect great difficulties and complications in doing so. The composition of the new Assembly will depend on the elections, and it is therefore logical that the tensions among individual parties will be even greater, since each one will want the kind of electoral law that will be best for it.

At the same time, we will feel the pressure of time, since those laws will have to be prepared quickly, so that there will still be enough time to prepare for the elections. We will consequently have to prepare for the elections, which will demand a great deal of work from us, but at the same time we will have to function like a normal state. We will also have to devote a great deal of attention to the economy. In a way we are entering into a contradiction: on one hand, the elections, and on the other, all the current things that the Assembly has pass. We will have to create the necessary balance, and behave responsibly. We have to look at Slovenia as a state, and rise above narrow party interests. I also think that this year has not been that bad. In view of how bad the economic situation was, the very fact that we did not founder completely is a success. Consequently, in the future a very modern policy will be necessary. If we want to achieve the quality that Europe demands of us, we have to substantially reduce employment per unit of production. This, of course, means higher unemployment, and potentially a greater danger of social unrest. That is why we need a dynamic policy that will not just sweep away everything that is superfluous, but will instead create new possibilities for employment at the same time. We must be aware that just a reduction in unproductive employment will not save us.

[Peterle] Slovenia as a state has to carry out certain principal tasks, among which I would single out primarily privatization, denationalization, and the implementation of a new constitution. I would like to say that we Slovenes, citizens of Slovenia, have arrived at a new self-awareness this year, which is a condition for future achievement. One can perceive a great deal of new entrepreneurial spirit, and new enterprises, new patents, and successes are emerging—all the conditions for us to achieve positive economic growth in the year that will follow this one.

Now we are still suffering from the diseases of the past, the costs of the disassociation of Yugoslavia and the establishment of a new social order, which, however, is necessary in order for the young Slovene state to promote itself as an international entity in the political, economic, and other areas. Above all, we want peace. We anticipate normal cooperation with international institutions, and normal conditions for achievement.

Privatization is a crucial matter, since that is the only way that we will be convincing to the outside world, and that is the only way that investments of foreign capital will begin, which we cannot do without, and only after that will results begin to appear in the financial area as well. If we delay privatization, there will not be any foreign capital or new investments. We have all the possibilities for 1992 to be the last year of negative economic growth. During that year, we will still be burdened with the past. Thus, for example, recently in particular we have still been feeling the consequences of the loss of the Yugoslav market and the halt in payment transactions in several areas. At the same time, the effects of the international agreements already concluded, like the ones we have already concluded with the Russian Federation and others, for example, are not yet apparent.

During the coming year, we have to accelerate the continued preparations for bilateral agreements with Germany, France, Italy, and others, and we likewise have to accelerate the formalization of our relations. After recognition, which has already occurred de facto, there will be new business, new confidence, and less risk for foreign partners. I foresee that by the end of the year this will already have yielded results, but overall things will not yet have shifted to a positive direction.

Croatia

Government Ministers Hold News Conference 22 Jan

LD2201170292

[Editorial Report] Zagreb Radio Croatia Network in Serbo-Croatian at 1005 GMT on 22 January begins a 60-minute live relay of the news conference held in the small Council Chamber of the Croatian Assembly building. Information Minister Branko Salaj introduces Deputy Prime Ministers Milan Ramljak, Mate Granic, Zdravko Tomac, and Jurica Pavelic. Prime Minister Greguric is unable to attend because he is in the United States. The conference opens with each of the four deputies making a statement.

Ramljak dwells primarily on the reform of the local self-administration system. He admits that the situation is not ideal but, in the present situation, the country has to concentrate on other matters.

Mate Granic speaks about the social program and, in this context, he says: "On 28 December, during the Assembly session, we gave out the following details—that there are 283,000 unemployed people in Croatia, that 145,000 people lost their jobs because the factories where they worked were either damaged or destroyed, and that we have about 700,000 expellees and refugees. The latest information we have is that Croatia itself is taking care of 322,000 such refugees. Besides, one should say that we are in possession of accurate information regarding 3,100 people killed and 16,500 people wounded. Almost 5,000 of our people are in captivity, and 8,900 are registered as having disappeared."

Continuing on the matter of assorted economic problems, Granic says: "Recently in the Knin, Drnis, and Vukovar areas, and in Baranja, we have had processes of ethnic 'cleansing,' that is, the aggressor is applying terror in an attempt to expel all the Croats from these areas. At the moment, this is one of the most flagrant violations of the cease-fire, that is, of the agreement signed in Sarajevo. Of course, as item number one on the agenda, Prime Minister Greguric will inform Mr. Butrus Ghali about this. We shall ask for this process to be totally halted."

The next speaker is Zdravko Tomac. He pledges Croatian interest in building a democratic state as similar as possible to western democracies. In this context, he refers to the Yugoslav People's Army [JNA] as an army without a state and an army under no one's control that should be disbanded. The Army can be disbanded by placing its weapons under the control of the international community, and the officers can be taken over by the republics of former Yugoslavia, as Croatia has done.

The last speaker is Jurica Pavelic, who speaks about industrial problems. He says that over 200,000 apartments and houses have been destroyed and that, in this situation, one should perhaps give priority to placing a roof over the heads of the workers rather than to specific job creation schemes.

Answering a question by Marco Ventura of Milan's IL GIORNALE, Milan Ramljak complains that the international community did not act on time and failed to apply proper pressure on Serbia. "Perhaps the first step, at this juncture, should be for the international community to take measures to disband [rasformirati] the so-called Yugoslav Army. As my colleague Tomac has said, there is no state behind the Yugoslav Army. If it is Serbia that stands behind it, then this should be made clear to everyone, and Serbia should not be permitted to have a military force of this size in the Balkans."

Branko Salaj seeks clarification concerning a previous statement by Ramljak, in which he referred to Serbia's "capitulation." Ramljak agrees with Salaj that this did not mean that he was asking for Serbia's capitulation. It meant "capitulation with regard to proclaimed military objectives" by Serbia.

A correspondent of YOMIURI SHIMBUN asks Ramljak about the number of proposed districts, which vary from one plan to another. He wonders whether the discrepancy has something to do with some of these districts being reserved for "national autonomous areas". He asks Salaj about Greguric's visit to New York.

Ramljak says that all proposals are in the "working material" stage . The government has not decided on anything. Salaj says that Greguric's visit is a visit to the United Nations. "As regards the contacts he will have with the U.S. Administration, which we of course consider to be very important, I believe they should not be discussed at length until they have taken place."

Answering a question by a VJESNIK correspondent regarding the Pecs talks and the Army withdrawal, Ramljak says that he is certain the Army will not withdraw from Croatian territories of its own free will. However, the agreement is that it should withdraw parallel with the arrival of blue helmets, but the Army is playing a game. "We must not agree to this game. It does not apply to us alone; the international community, which has made important steps regarding the solution of the political crisis in the area of former Yugoslavia, must take adequate measures. Procrastination is tantamount to further bloodshed in this region," Ramljak says.

(?Tomac) amplifies the answer by saying that it was made clear during talks with Cyrus Vance that the Army must withdraw from the areas where the peacekeeping forces will not be stationed, Dubrovnik and Zadar, for instance.

A VECERNJI LIST correspondent wants to know what international guarantees were given for the liberation of Croatian territories. "Have Croatian borders been guaranteed? Has Croatia the permission to liberate its own territory before the arival of blue helmets?"

(?Tomac) explains the arrangements for the arrival of blue helmets. The international community has recognized present Croatian borders. Serbs are a minority, and the international community has compelled the Croats to adopt appropriate minority protection legislation. "If the other side does not accept it, then we are back to square one, and what remains is what we have always been saying: Croatia will have to liberate these territories in some other way. No one will be able, and no one will have the right, to prevent Croatia from freeing part of its occupied territory".

A Croatian radio correspondent refers to Pavelic's assessment of the damage caused by the war and wonders whether the Croatian Government is thinking of asking for paymment of reparations and for reimbursement of the funds invested in former Yugoslavia.

(?Tomac) says that the government is thinking along these lines, but what is required now is urgent economic help. Croatian refugees must start returning to their homes. The 19 billion [currency not specified] damage figure is based on what it has been possible to evaluate. It is by no means the final figure. There is also indirect damage that is very difficult to evaluate.

UN Officers Begin Talks With Slavonian Leaders

AU2201175892 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Text] The group of UN liaison officers who are stationed in Dalj had a meeting today with members of the government of the Serbian Region of Slavonia, Baranja, and Western Srem, with the aim to create conditions for unhindered work in order to compile a report as soon as possible. This should facilitate the arrival of the blue helmets in this area. Zajecar Radio journalist \Rade Stojcic has a report:

[Begin recording] [Stojcic] The talks between the UN liaison officers, who are led by Major [name indistinct], and members of the government were very open and constructive. The guests requested that the local government guarantee their safety and normal work conditions in order to achieve peace as soon as possible and also asked for maximum patience and tolerance. In response, Dr. Mladen Hadzic, vice president of the government, said that the people of this region are of a very democratic disposition and that they will do everything in order to achieve peace, because they need peace now more than ever before. However:

[Hadzic] The other side is very aggressive. They have violated 15 cease-fires so far, and it has turned out that they have practically used truces to defeat us. Even now, they have violated this cease-fire dozens of times and probably more than a hundred times, and yesterday they butchered two men on a road not far from here—I mean the day before yesterday. You probably know that Germany is behind this aggression and crazed propaganda. This is a repetition of 1938 and 1939.

[Stojcic] Backing up these claims, Dr. Hadzic said that the German flag is flying next to the Croatian one in Vinkovci at the moment and called on the officers To go and see this for themselves. He also said that in the last few days, Croatian Television has been playing the hit song, Danke Deutschland [Thank you, Germany].

Explaining the policy of the Serbian people in this area and the policy of Serbia and the Serbian leadership for the peaceful resolution of the Yugoslav crisis, Rade Leskovac, deputy information minister of the Serbian Region of Slavonia, Baranja, and Western Srem said:

[Leskovac] President Milosevic has not agreed to the blackmail policy of the European Twelve. The EC is not, in any way, a (?basic) formal and legal organization in the international community. It does not have any political legitimacy at all. When you arrived as UN members, President Milosevic signed the agreement presented by UN envoy Cyrus Vance and did not oppose the policy of the UN.

[Stojcic] Goran Hadzic, the prime minister of this region, finally joined in the talks and gave his personal guarantee that the people of this area will do their utmost to remain their own people, on their own land, in a peaceful and democratic way, that is to say, on the land of their forefathers who lived here seven centuries ago. However, he stressed their readiness to fight to the end if they are forced, because they will not allow the genocide of the Serbian people to be repeated.

Talks were also organized today between the officers and the Croats who live here, who said that they are working as normal, and neither their lives nor livelihoods are under threat. [end recording]

Leskovac Reports on Meeting

LD2201171992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1625 GMT 22 Jan 92

[Excerpt] Erdut, 22 Jan (TANJUG)—The first meeting took place today, in the Erdut offices of the government of the Serbian area of Slavonia, Baranja, and West Srem, between two UN liaison officers and the Serbian area government.

TANJUG was told this today by Rade Leskovac, deputy information minister in the Slavonia, Baranja, and West Srem government.

It was noted, Leskovac said, that great mobility and cooperation between both sides are required. The Serbian government told the UN liaison officers, Majors John Anane Brobbey from Ghana and Eduardo Borbos from Brazil, that they were welcome, and that all their well-meaning suggestions and every form of peaceful and democratic solution of the current conflict will be accepted .

However, Leskovac added, the government of the Serbian area made it clear to the UN representatives that it expects the arrival of peacekeeping forces only as far as the demarcation line, that is, the line separating the warring sides.

According to Leskovac, the UN liaison officers asked the government of the Serbian area and the people in that area for support for their work and received appropriate guarantees from the government. [passage omitted]

Krajina Government Issues Statement on UN Plan

AU2201172692 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Danko Peric report on the Serbian Krajina government session in Knin]

[Text] Peric A meeting of members of the government of the Republic of Serbian Krajina is under way in Knin. After dealing with the first point on the agenda, they issued the following statement, which relates to the most important item—the deployment of UN peacekeeping forces:

The government of the Republic of Serbian Krajina maintains its earlier stand regarding the deployment of the UN peacekeeping forces in stopping armed conflicts and preventing the escalation of the war between the aggressor forces of the Republic of Croatia and the defense forces of the Republic of Serbian Krajina.

The UN peacekeeping forces are always welcome, the statement stresses, to separate the armed forces of the Croatian aggressors and the Serbian defense along the line of conflict. In this way, it is possible to establish a lasting peace and make possible the equal status of everyone in seeking permanent political solutions.

Cyrus Vance's plan is not acceptable in the form that was accepted by Tudjman, Kadijevic, and Milosevic, the statement from today's session says. Not one minister in the government of the Republic of Serbian Krajina is authorized to present different stands that those that were adopted by the government. The statement by Milan Martic, minister for internal affairs in the government of the Republic of Serbian Krajina, regarding acceptance of Cyrus Vance's plan is in contradiction to the policy and decisions of the government and assembly of the Republic of Serbian Krajina and is at variance with the interests of the Serbian people of the Republic of Serbian Krajina.

Army Protests JNA Cease-Fire Violations

LD2201171192 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 22 Jan 92

[Text] In connection with the latest cease-fire violations, the operations center of the Croatian Army headquarters has sent a sharp letter of protest to the operations center of the Yugoslav Armed Forces Headquarters, to the Croatian office at the European mission, and to the Zagreb-based office of UN liaison officers, saying:

By signing the 2 January Sarajevo agreement, the Yugoslav Army took upon itslef a duty to strictly observe the cease-fire, and to refrain from setting Croatian-owned houses on fire and forcing the Croatian population to flee their villages. However, the Yugoslav Army units have not abided by the agreement and have violated the cease-fire in the following cases: This morning a Croatian couple was killed in the village of Smilcic near Zadar and a number of families were driven out of the village and sent toward Zadar. Also today, 110 Croats were driven out of their centuries-old homes in the villages of Rodaljica, Bruske, and Medvidje in the municipality of Benkovac.

Through such actions, the Yugoslav Army and Chetniks keep perpetrating genocide and terrorism against the Croats in areas that are under their control. For this reason, we are sending you this sharp letter of protest, and we expect the EC monitoring mission and the United Nations to help explain the facts regarding crimes perpetrated by the Yugoslav Army and forces under its control.

Raskovic on Arrival of Peacekeepers in Krajina

92BA0374C Belgrade POLITIKA in Serbo-Croatian 7 Jan 92 p 7

[Article on interview with Dr. Jovan Raskovic, chairman of the Serbian Democratic Party, by B. Radivojsa; place and date not given: "Dr. Jovan Raskovic on Arrival of 'Blue Helmets': Preserving Serbian Essence and Territory"—first paragraph is POLITIKA introduction]

[Text] After a long time, Serbia and the Yugoslav Presidency are taking productive steps. The viewpoints of the current Croatian despotate are more worrisome than the resistance and doubts of the government in Krajina.

The announcement of the imminent arrival of the "blue helmets" in Yugoslavia has been received with a great deal of relief by all those who are interested in peace and a just solution to the crisis. Nevertheless, despite the approval in principle, this news has brought with it certain dilemmas, as well as the first signs of resistance.

This was the reason that we asked academician Jovan Raskovic, the well-known professor and chairman of the Serbian Democratic Party [SDS], for his views on the United Nations peace initiative and on the possibility that peace will finally be restored in this region.

Just Settlement

"The arrival of the 'blue helmets' in the way agreed to with Mr. Vance is a just settlement for the Serbian nation and for Serbia," our interviewee believes.

However, Raskovic warns that there are also reasons against the arrival of peacekeeping forces in "Serbian lands." Moreover, he points out the danger inherent in the arrival of a large number of foreigners, "with full pockets" and "a strong inclination towards the joys of life." But because at this point there is no other way to achieve peace, their arrival in the Republic of Krajina is necessary. "All the more so," he says, "because it seems to us that peace is important to the survival of the current authorities in Serbian regions. Because the Republic of Krajina can be preserved more through peace than in war."

"But we Serbs are not losing our dignity through the arrival of the 'blue helmets.' Especially since there is always plenty of stupidity in exaggerated dignity, so that life becomes somber and inconceivable," the professor concludes. After a long time, Serbia and the Yugoslav Presidency are finally taking very productive steps, in the form of a sincere effort to establish peace. The unjust and malicious emphasis on Serbian political and every other kind of primitivism is disappearing with this move, which obviously opens up the road to civilized solutions.

Peace Plan Without Muscle

Repeating that Vance's plan is acceptable to the Serbian nation, because it offers an end to a dark and ugly war, the chairman of the Knin SDS adds that, on the practical side, "right now we are getting support from quarters where we expected hostility." This because U.S. foreign policy has stood behind Vance's plan and a final solution to the Serbian question "without muscle and weapons." Thus, this is a chance that the Serbian nation should not gamble away. And it must be known that only the good will of the United States can thwart the influence of the strongest European "leader," Kohl, and of the biggest European tribe, Germany.

"This is our chance. It offers us the opportunity to resolve conflict on the international stage, and all resistance to this initiative sends us back into the darkness of irrationality. The Serbian nation has opened up the door to a policy of possibility and closed the door to a policy of power. We have finally succeeded," says Raskovic, "in uniting moral principles with efficient means, and Serbia has finally realized that it is essential to preserve a living and biological national essence—just as much as, if not more than, Serbian territory...."

Still, how does Jovan Raskovic interpret certain negative comments being heard from individual officials in Krajina concerning the arrival of the "blue helmets"?

"In my opinion, all opposition will come undone. The opposition is not in the foreground," responds the academician, explaining that it is completely understandable to him that the "young government of Krajina is expressing its doubts. I am much more concerned about the viewpoints of the current Croatian despotate and its dictators. I do not have the impression," he says, "that they will agree that easily to a political freeze on current relations and on keeping existing territories. Their policy is morally neutral. It contains no ethical interest in a solution. The Croatian side entertains one compelling thought: to be 'recognized' and to 'get back its territory.' They are interested only in their own 'efficient solutions.' They are more interested in technique and skill than in a genuine settlement. And that is our great advantage," academician Raskovic said at the end of the interview.

Foreign Ministry Replies to Arbitration Commission

92BA0309A Zagreb VJESNIK in Serbo-Croatian 21 Dec 91 p 12

[Article by the Croatian News Agency HINA: "Croatia Will Not Negotiate Borders"]

[Text] The Ministry of Foreign Affairs of the Republic of Croatia has sent responses to the Arbitration Commission of the Hague Conference on Yugoslavia to the questions: "Do the Serbian people in Croatia and in Bosnia-Hercegovina, as one of the constituent nationalities of Yugoslavia, have the right to self-determination?" and "Are the internally drawn lines of demarcation between Croatia and Serbia and between Serbia and Bosnia-Hercegovina borders in the sense of international public law?"

We publish below unofficial translations of essential passages of those responses.

"1. The question that the Serbian authorities sent to the Arbitration Commission seeks an answer of whether segments of the Serbian nationality living in Croatia and in Bosnia-Hercegovina have the same rights as constituent nationalities of the former SFRY. The question also suggests the response that certain segments of the Serbian nationality have the same rights as any other nationality taken as a whole or as some sovereign republic. This view grants some segment of a nationality the legal validity of the whole regardless of the injury which this can cause other nationalities and republics.

"If we adopted Serbia's view concerning the full rights of some segment of a nationality as though it were the whole, on the territory of the former SFRY we would have numerous spatially unconnected Serbian constituent nationalities whose unification would be against the interests of the other nationalities and republics. That conception and policy are unfair, because the Serbian nationality is thereby appropriating to itself the right to exist as several constituent nationalities, while all other nationalities would exist as one constituent nationality

and one republic. In that way, the Serbian nationality obtains far more rights than any other nationality in the former SFRY in the same way that Serbia has three votes in the putschist Presidency of the former SFRY, while all the other republics have one vote each. At the same time, Serbia does not recognize that right for segments of non-Serb nationalities in Serbia and other republics. Recognition of that right solely for Serbs would be discriminatory.

"2. The basis of the question being put by the Serbian government is that the 12.4 percent Serbs in Croatia, who represent 6.7 percent of all the Serbs in the former SFRY, should have the same political power and the same form of sovereignty as every republic. In order to achieve that goal, parts of the territories of certain republics would have to be taken by force and those republics would have to be weakened by force of arms. In our opinion, the rights of any ethnic group, i.e., of a minority, in any republic or state must be guaranteed, while at the same time that minority must respect the sovereignty and territorial integrity of the republic in question. The ethnic minorities do not have the right to secession, but to protection of their rights in the context of the legal order of the republic in question. The entire democratic world has confirmed this view in the position on the unchangeability of borders. If this view were not confirmed by international activity, the resulting case would be very similar to the aggression of the Sudeten Germans before the war, who shattered and destroyed the sovereignty of the Czechoslovak state in 1938.

"3. All the nationalities of the former Yugoslavia achieved in essential respects territorial integrity and political independence in their respective republics, some before 1918 and some before 1945, and that is how those nationalities which have their respective republics were designated as constituent nationalities. Those nationalities which had their own state, statehood, or autonomy also brought their own territory into the Yugoslav community. The other nationalities did that in 1945. The republics see international recognition as exercise of the right of peoples to self-determination all the way to secession.

Conclusion

"1. Segments of the Serbian nationality outside Serbia cannot have the same rights as other nationalities, because in that case the Serbian people would have more rights and power if it consisted of those segments which are arbitrarily proclaimed constituent nationalities or republics.

"2. The political ideology which grants or imposes by force the same rights to all segments of the Serbian nationality as the Serbian nationality as a whole is pannationalist and an ideology of conquest. The new Serbian 'small states or republics' are being created in areas of other republics or states which have been taken away by force, which unambiguously exposes the war of conquest by Serbia and the Army against Croatia and the other republics."

The response goes on to enumerate numerous legal and political arguments and examples confirming the views presented earlier. The response then concludes:

"Accordingly, threatening Croatia's territorial integrity by creating one or more so-called Serbian autonomous oblasts or 'states' on its soil, even through the use of aggression, is entirely unlawful.

"The SFRY is made up of republics, not of nationalities: All decisions in that sense are based on a so-called referendum organized in 1990 in a portion of Croatia. However, the right to participate in that 'referendum' was not guaranteed to all inhabitants of that region. It was organized only for Serbian inhabitants, including even those who do not reside in that region. From the standpoint of international law, it was completely invalid.

"At the same time, the assertion of the Republic of Serbia that the Serbian nationality is a constituent nationality of Yugoslavia has no point of support whatsoever in the 1974 federal Constitution, nor even in the constitutional law of Serbia itself.

"Article 2 of the 1974 federal Constitution stated that the 'SFRY is made up of socialist republics and socialist autonomous provinces,' not 'nationalities.' We also make reference to Articles 1, 3, and 4.

"What is more, even the earlier 1974 Constitution of SR [Socialist Republic] Serbia contains no provisions defining the Serbs as a 'constituent nationality.' Article 2 merely states that the nationalities and ethnic minorities of Serbia exercise their sovereign rights in SR Serbia and in its socialist autonomous provinces, in keeping with their constitutional rights, and in the SFRY when this is in the common interest of the working class and the nationalities and ethnic minorities of Yugoslavia, as was also set forth in the federal Constitution.

"The Serbs are not a 'constituent nationality' even in the Serbian Constitution: The Constitution of the Republic of Serbia adopted in 1990, which is now in effect, does not cite a single nationality or minority either. Its Article 1 defines the Republic of Serbia as a democratic state of all the citizens living on its territory."

In answer to the question of whether the internally drawn lines of demarcation between Croatia and Serbia and between Serbia and Bosnia-Hercegovina are borders in the sense of international public law, the ministry responded as follows:

"Croatia, Serbia, Bosnia-Hercegovina, and the other republics and the two autonomous provinces have established fixed borders recognized as such in all the federal constitutions. This is covered by Article 5 of the 1974 federal Constitution. According to that Constitution, the

borders between the republics may be altered only by agreement between the republics involved.

"Historical roots of the borders: Most of those borders have deep historical roots. The borders of Bosnia-Hercegovina and of Croatia are the former borders of the Ottoman Empire with Austria and Venice, with certain minor changes during the 18th century. Croatia's borders with the Autonomous Province of Vojvodina are largely the same as those between Croatia and Hungary before 1918, and they follow the Danube River. Only a small section of that border was established after World War II in the region of Srem, which was to Croatia's disadvantage, but fairer ethnic balance was achieved thereby.

"That is precisely the region that today is a battlefield and a region from which non-Serb inhabitants are being expelled. Historically, Srem belongs to Croatia. Its capital was Vukovar, and the city of Zemun, which is today a part of Belgrade, also belonged to it. But Croatia is not questioning this 'line of demarcation.' Serbia is the one that is now destroying the cities of Vukovar and Osijek and killing the peaceful non-Serb population in order to create an ethnically 'pure' 'Serbian Autonomous Oblast of Western Slavonia, Baranja, and Western Srem,' in which the Serbs constitute approximately 20 percent of the total population.

"When a new state is created, pursuant to the principle of equal rights and self-determination of peoples, the existing borders—unless otherwise agreed—(obviously with consent of the party from which territorial concessions are sought) become 'borders in the sense of international public law.' In this case, any change whatsoever of the present borders with the threat of force or use of force is strictly prohibited.

"The principle of the territorial status quo has been confirmed in all the principal international instruments and is one of the cornerstones for maintaining international peace and security.

"No negotiation about a change of borders: Croatia does not consent to any negotiations that would pertain to its existing borders, in particular not with Serbia and Montenegro, both of which are waging an aggressive war against its territorial integrity and democratically elected government. At the same time, the Republic of Croatia is willing to respect all human rights and all the rights of members of national or ethnic groups living within its borders, as prescribed in Article 2 of the 'Basis of Agreement for a (Future) Convention.'

"As emphasized above, the principle of respecting territorial integrity, i.e., existing borders, has been confirmed in one way or another in all important international instruments. It has been confirmed, for instance, by Article 2, Subparagraph 4, of the UN Charter, and in the Declaration on Principles Governing Relations of Participating States (principles enumerated under b.IV and I) in the 1975 Final Communique of the Conference on European Security and Cooperation.

"And even the Declaration on Yugoslavia, adopted in the extraordinary ministerial meeting on 3 September 1991 in The Hague, has confirmed the following principles, which are the legal basis for decisions of the Arbitration Commission:

"'There are no unilateral changes of borders; and protection of the rights of all in Yugoslavia, mindful at the same time of all legitimate interests and aspirations.'

"Article 1, Subparagraph 1, of the Hague document affirms in the same spirit 'within the framework of an overall solution, recognition of independence, within existing borders, unless otherwise agreed, of those republics which so desire.'

"Implementing these principles as well as Chapter II of the Hague document, on 4 December 1991 the Croatian Assembly unanimously adopted the Constitutional Law on Human Rights and Freedoms and on the Rights of Ethnic and National Communities or Minorities in the Republic of Croatia. Its Sections V and VI pertain to the regions in which Serbs constitute a numerical majority.

"Because Croatia has in this way satisfied all the demands contained in the Hague document—which Serbia has up to now rejected—and those contained in the principles of general international law, Croatia is under no legal obligation to accept any negotiations or arbitration procedure whatsoever that would pertain to its existing borders. The Serbs constitute only 12.4 percent of Croatia's total population.

"At the same time, the Republic of Croatia assumed the obligation in Section 5 of its own Constitutional Decision on Sovereignty and Independence, adopted 25 June 1991 by the Croatian Assembly, to recognize the full sovereignty and existence under international law of new states that arise through disassociation of the SFRY within the framework of existing borders of the SFRY and in the framework of their mutual borders established by the Constitution in effect up to now or by mutual agreement in a democratic manner."

Separovic Discusses Future Foreign Missions

92BA0332C Zagreb VJESNIK in Serbo-Croatian 29 Dec 91 p 3

[Unattributed article summarizing the introductory address of Croatian Foreign Minister Dr. Zvonimir Separovic to the Croatian Assembly; date not given: "Croatia in the United Nations in Late 1992"]

[Text] Having mentioned all the countries who have so far recognized the independence and sovereignty of the Republic of Croatia voted in the Assembly, whereby it has already become an entity under international law, Dr. Zvonimir Separovic, foreign minister of the Republic of Croatia, said that on 15 January Croatia would enter the community of free and sovereign states of Europe by the front door. Recognition of Croatia is the fruit of the age-old struggle for freedom, but also a

result of the efforts made by all those involved in the foreign policy of the Republic of Croatia. The president of the republic can be rightly called the creator and architect of the foreign-political strategy of modern Croatia. The Croatian Assembly has speeded up legislative activity whereby we have taken steps into modern Europe and thus presented ourselves as a modern state founded on democracy and respect for human rights and ethnic minorities. The government, whose ministers have contributed to broadening international contacts and ties, has also made an immense contribution. And finally, great efforts were also made in the Foreign Ministry, which will take on the crucial task of creating the first Croatian diplomacy. Minister Separovic did not forget to praise the European politicians, Genscher, Kohl, Mock, Hanibalsohn, Eyskens, De Michelis, and other politicians without whose help there would have been no recognition.

In the United Nations by Fall

Dr. Separovic announced that a diplomatic offensive would begin at the beginning of the year toward all states which have not come out in favor of recognizing Croatia. The minister expressed hope that this activity would culminate in Croatia's acceptance into the United Nations in the fall of next year. With the country's which have already recognized us, we have ahead negotiations on establishing full diplomatic relations and opening embassies. Croatia is also faced with the immense job of rebuilding the country, for which we will need both international help and solidarity. Croatia also anticipates the signing and taking over of a large number of international agreements and treaties as one of the legal successors of the former Yugoslav federation. We also will be having an "inheritance hearing" which will be conducted on the basis of the judgment of an arbitration commission.

The diplomatic service must also make up for all the other shortcomings which are the fruit of the initial steps in the international community, where we are coming into conflict with other interests and intrigues by the former Yugoslavia, and its diplomatic corps in the chaotic situation and of their allies among the nonaligned, which are disintegrating just like their former leader. Minister Separovic called for understanding and support of the Assembly for the efforts of the Foreign Service, which is still not completely in harness. According to the plan, in the entire diplomatic and consular network within the country and outside, Croatia will have approximately 300 employees, with about 50 diplomatic and consular missions in the world. The funds invested in Croatian diplomacy will be paid back many times over through credits, humanitarian aid, and so on. Minister Separovic also announced that a network of foreign diplomatic and consular offices in Croatia would soon be established.

The First Courses

The first diplomatic course is now being given, attended by 52 people from all structures of public life, Dr. Separovic said. We will orient our diplomacy so that the best experts and cultural figures will be carrying it out.

Dr. Separovic mentioned in conclusion the three principal tasks of Croatian diplomacy. The conflict in Croatia must be further internationalized so that the truth spreads even to those countries which have not realized what is happening here. Then the question will arise of war damages and trying the war criminals, which must also be organized at the international level, and recognition of Croatia has made that possible. And finally, the effort must also be made for Croatia to be recognized by those countries which have not done so.

Bank Governor Views 'Monetary Independence'

92BA0335B Zagreb VJESNIK in Serbo-Croatian 29 Dec 91 p 4

[Unattributed article summarizing statement by Dr. Ante Cicin-Sain, governor of the National Bank of Croatia, during the extraordinary session of the Croatian Assembly: "Removal of the Alibi for Our Own Mistakes"]

[Text] Analyzing in his own way the characteristics of achieving monetary independence—what Croatia gets and what it loses or has to pay for the advantages of having its own currency, Dr. Ante Cicin-Sain waited almost to the end of the elements of the monetary balance sheet to mention perhaps the key reason why each subsequent move and procedure in affirmation of the Croatian dinar and later the Croatian kruna as well needs to be weighed with extreme responsibility. When we introduce our own currency, we at the same time lose the alibi for our own deficiencies and mistakes. "We can no longer attribute our problems to others. Now we are responsible for ourselves. We are assuming responsibility for our own economic policy, and in that context monetary policy and the stable value of the Croatian currency have a decisive role in economic and political development."

With monetary independence, Croatia obtains its own currency as one of the key symbols of its own statehood, an effective mechanism for protection against unauthorized monetary assaults, a mechanism which prevents siphoning to Croatia's disadvantage, which affords the possibility of conducting the republic's own monetary policy, including legal appropriation of the gain from note issue. Our own currency is an effective instrument for creating a market economy and for it to participate in international trade. The Croatian dinar will be an effective weapon, better than the Srbodinar, more powerful perhaps than a conventional weapon in the fight to recover the area that has been temporarily occupied.

The Manufacturing of Bank Notes Is the Lowest Cost

Introducing the new dinar also has its costs. In addition to the loss of the alibi for our own mistakes, as already mentioned, monetary independence inevitably results in a narrowing of economic space and a loss of positions

gained on the Yugoslav market. The second cost occurs because it will not be possible to use the jointly created foreign exchange reserves of the former Yugoslavia and because the foreign exchange deposits of individuals which the federation guaranteed are passing over into Croatia's public debt. There will also be a cost from the frequent adaptation of the exchange rate and from initially holding it at an undervalued level. Manufacturing our own bank notes is the smallest cost, but that also needs to be included in the balance sheet of monetary independence.

Speaking about the economic situation, about the war, about devastation caused by the war and the large budget deficit, Dr. Ante Cicin-Sain said that the conditions for achieving monetary independence are extremely difficult and essentially unfavorable. The political conditions in Croatia itself, in its extended and more remote environment, are nevertheless relatively favorable at the moment, and the conclusion is unavoidable that there can be no alternative to a determined orientation toward full monetary independence in spite of the fact that the costs, taken along with the devastation of the war, inevitably bring about a drastic drop in the standard of living of all strata of the population.

Everything Against Inflation

Warning of the possible consequences of the chronically unstable value of the currency, Dr. Ante Cicin-Sain spoke indirectly about the essential need for budget discipline and for the National Bank of Croatia to resolutely give up the old redistributive role, which always ends up with the worst thing—inflation. And inflation is nothing other than the most unjust tax, a form of concealed undemocratic taxation, a way of stealing from one's own citizens. Decisions on that tax, on its level and purpose, are not made by the only decisionmaking body competent in this area—the parliament. High inflation is essentially incompatible with a democratic society and with development of democratic institutions.

In the process of achieving monetary independence, the Assembly will have a decisive role as the supreme body of government in Croatia. By decree, that is, by the Law on the National Bank of Croatia, this institution is for the first time set up as an independent authority that will be directly accountable to the Assembly and will collaborate with other bodies of government. It is directly responsible for performing only those tasks which have been explicitly prescribed by the Constitution and the Law on the National Bank. It follows from all this that by strictly respecting only those obligations the National Bank of Croatia can make the greatest contribution to achievement of all the tasks of economic policy and social welfare policy.

Status of New Croatian Dinar Discussed

92BA0386A Zagreb VJESNIK in Serbo-Croatian 7 Jan 92 p 5

[Article by Davor Drezga: "Coronation of the Croatian Dinar"]

[Text] The majestic building of white stone that dominates Exchange Square in Zagreb has already become part of Croatia's monetary history. That is the building of the National Bank of Croatia [NBH], which with its monetary-financial establishment became even formally the central Croatian bank, the republic bank of banks, the monetary authority issuing money, at 2400 hours between 22 and 23 December 1991. The Republic of Croatia thereby added to its aspiration for independence and sovereignty this additional instrument of government authority, with which, as political authority is consolidated, it has injected the first postwar Croatian money—the Croatian dinar (CRD)—into the monetary-financial tissue of the republic.

The Bank, Money, and Accountability

In describing this turning point in Croatia's monetary reality, Dr. Ante Cicin-Sain, governor of the National Bank of Yugoslavia, says: "At that moment, the Decree on the National Bank of Yugoslavia, which was in substance adopted as the Law on the Independent NBH by the government of the Republic of Croatia back on 8 October 1991, became valid, and the bank thereby became in both form and substance something quite different from the role that had been given it in the postwar period, in which the key fact is that it can make decisions on its own concerning the new money, its stability (or shakiness), and concerning many other things related to the republic's monetary and financial conditions." At the same time, both the bank as an institution and the governor have been given vastly greater accountability as they have become the "independent monetary authority accountable only to Croatian laws and the Assembly." That the very act of enthronement of the NBH in its new role has been accompanied by a practical divorce from the old Yugo-mono-monetary system is proven by withdrawal from circulation in Croatia of some 17 billion old Yugo-dinars and their replacement by the Croatian dinar in the amount of about 22 billion. Newspaper chronicles have already recorded that this complicated and expensive operation has been carried out successfully, whereby Croatia, for all practical purposes from the beginning of the new year, 1992, has entered a new current monetary era with the Croatian dinar as a temporary currency which is to be replaced by the final currency—the Croatian kruna.

An Open Field for the Kruna

History will also record that the big job of establishing the monetary independence of the Republic of Croatia was handled by an ad hoc commission for preparation of

the Croatian currency appointed by Dr. Franjo Tudjman, president of the republic, on 20 August 1991. It was headed by Dr. Marijan Hanzekovic, professor and top-flight monetary and financial expert with both a domestic and international reputation. Dr. Ante Cicin-Sain, who these past days has been presiding over the intensive effort of preparing the Croatian currency, says: "Under wartime circumstances and in the short time available, along with a number of other limitations and uncertainties, we were left little opportunity to promote a strong and stable Croatian currency, and so we had to opt for a temporary solution. These cause-and-effect relations also contain the answer to the question of why the Croatian dinar rather than the Croatian kruna. What we said was this, in the gloomiest scenario, if this temporary currency, because of circumstances still difficult for us to foresee at this moment proves too vulnerable, soft, let it be compromised under the name of the dinar [DIN] so that an open field would be left for the kruna." Certainly, the entire job which is now to follow and which will focus on the Croatian national currency will be refracted through the National Bank of Croatia. What is it, and what are its tasks?

Stability of the Currency, General Liquidity

The National Bank of Croatia is responsible for the stability of the currency as well as for general liquidity of payments in the country and to foreign countries. Through its activity, the NBH supports the objectives of the economic policy of the Republic of Croatia, but that support must not threaten the stability of the currency and the general liquidity of domestic and international payments. The bank has the following tasks: to regulate the quantity of money in circulation; to regulate the general liquidity of banks and other financial organizations; to see to the maintenance of general liquidity in making payments abroad; to issue bank notes and coins; to monitor banks and other financial organizations; to prescribe, organize, and coordinate the information system necessary to performance of its functions; to perform certain tasks for the Republic of Croatia; and to perform other functions as established by law.

In regulating the quantity of money in circulation, the NBH will take the following steps: establish the mandatory reserves of banks and other financial organizations to be kept in the NBH; to issue and withdraw treasury notes; to sell and purchase domestic and foreign negotiable short-term securities; to extend short-term credits to banks on the basis of domestic and foreign short-term negotiable securities; to extend 90-day credits to banks with securities and treasury notes of the NBH as collateral; to set the general discount rate of the NBH and the borrowing and lending rates of the NBH; and to restrict the volume and growth rate of bank lending for a particular interval.

Stable Exchange Rate of the Croatian Dinar Until April

All these and other tasks which now become the responsibility of the independent monetary authority of Croatia have been given the most tangible expression by injection of the Croatian dinar into the monetary-financial sphere of the republic. This step was accompanied by adoption of the Croatian dinar's exchange rate against the West German mark (DEM), which on the first list of exchange rates of the NBH since World War II is set at CRD55 for DEM1, and it took effect at 2400 hours 1 January 1992. Croatia has thus parted company with that ancient exchange rate of Markovic's Yugodinar of DIN13 for DEM1, which held even in the last days of December 1991, when it was replaced with the Croatian dinar. According to the statement of the governor of the NBH, the rate of CRD55 for DEM1 could "hold at least until the beginning of April," and it is the National Bank of Croatia, that has just entered the new era of the republic's monetary reality, that will bear the greatest responsibility for that.

Serbia

Kosovo Party Calls for Unification of Albanians

AU2201165292 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Milivoje Mihajlovic report from Pristina]

[Text] Referendums appear to be very fashionable. There is increasing talk in Kosovo about yet another referendum. This time Albanians living in different regions of the Balkans would vote on pan-national unification.

A Pristina Albanian-language paper, FJALA, today carried a statement by the Presidium of the Christian Democratic Party of Kosovo, which says that this party has sent a request to organize this referendum to the Assembly of Albania and President Ramiz Alia, and to the so-called Assembly of the Republic of Kosovo. This party insists that the referendum be organized before Macedonia is recognized as a sovereign state, and as stated, before a possible decision by the EC to recognize Serbia and Montenegro as sovereign states.

Stating that the session of the Presidium of the Christian Democratic Party of Albanians from Kosovo was held in Switzerland, the party says that the recognition of Macedonia as an independent and sovereign state would be received by Albanians as a national tragedy and a final loss of the right to their own independence. This party holds the view that, after the plebiscite, a state of Albanians in the Balkans would be proclaimed, and the national assembly of that state in Tirana would proclaim the territories populated by Albanians in Yugoslavia as territories occupied by Serbia, Montenegro, and Macedonia. The assembly would then request the right to liberate these territories.

Let us recall, this is not a one-off idea on national unification. The pan-Albanian Assembly of National Unification was scheduled to take place in Tirana the day before yesterday, but it was postponed for two

weeks. The idea of national unification is being promoted by Albanian intellectuals from both sides of the Prokletije Mountains.

SDA Leader Says Muslims To Seek Autonomy

LD2201174892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1235 GMT 21 Jan 92

[Text] Pristina, 21 Jan (TANJUG)—The Party of Democratic Action [SDA] for Kosovo will soon ask for cultural and educational autonomy and local rule for Muslims (non-Albanian Muslim population) in this province.

Numan Balic, chairman of the SDA for Kosovo, announced this at today's press conference, specifying that Muslims live in the Prizren area, Gora (mountain south of Prizren, on borders with Macedonia and Albania), and Vitomirica-Dobrusa area (north of Pec). Balic explained the demand for autonomy with "threats to national and cultural rights of Muslims," specifically to the right to use the Latin alphabet of "the Bosnian language" and with the need to introduce Muslim content in textbooks.

He also expressed the party stand that the best option, in the party's view, is "an independent and sovereign Kosovo," that is a "Kosovo Republic", but he also allowed for the possibility of autonomy envisaged, as he put it, by EC documents.

BORBA Reports JNA Reservist Mobilization

AU2301124692 Belgrade BORBA in Serbo-Croatian 21 Jan 92 p 28

[G. K. report: "Is Mobilization Continuing?"]

[Text] The latest cease-fire between the warring sides is mostly being observed, but a certain degree of caution still exists on both sides.

While the war reporters are reporting "the regrouping of the Croatian military formations," the other side is not sitting with its arms folded. The mobilization of the Yugoslav Peoples' Army reservists continued throughout the weekend. On this occasion, telegrams to report to their home military post were "bestowed," among others, on reservists of the Belgrade Zvezdara commune.

Bosnia-Hercegovina

Baranja Territorial Defense Foresees 'No Peace'

LD2201210692 Belgrade TANJUG Domestic Service in Serbo-Croatian 0221 GMT 22 Jan 92

[Text] Beli Manastir, 22 Jan (TANJUG)—In the Baranja Territorial Defense Headquarters, it has been concluded that despite the Sarajevo agreement, there is and will continue to be no peace in this region. The situation must be finally resolved only through armed conflict.

This stand is the result of the fact that there have been attacks, provocations, and actions by terrorist groups of the Croatian paramilitary in 16 days since 3 January, when the so-called cease-fire came into effect. In that period, three Baranja combatants were killed and seven wounded.

There will be no peace, it is assessed in Baranja, because many Croatian paramilitary formations, directly confronted with the defenders of Baranja, went outside the control of the supreme command in Zagreb, or have their tacit consent, and are waging their own war. They are led by extremist members of the Croatian Democratic Community [Hrvatska Demokratska Zajednica—HDZ] whose aim is not peace but to regain the territory of Baranja and to banish Serbs.

To prove that there is cause to fear their activities, analysts quote the fact that 15,000 Croats and 2,000 Hungarians, who are motivated to return at any cost, have left Baranja. Extremists are unifying their motives and forming completely independent groups, secretly supported from Croatia and Hungary, which want to continue the war. They remain a potential danger for the inhabitants of Baranja.

The Territorial Defense Headquarters considers, therefore, that it is necessary to clear the area of these formations through armed conflict in order to permanently protect inhabitants and the territory, which up to 1947 had not been within the administrative borders of Croatia.

The inhabitants of Baranja, along with Yugoslav People's Army [JNA] units, are currently defending the 70 mile border with Hungary, and the same length of the left bank of the Drava bordering on Croatia. The members of the Territorial Defense spend one week on the embankment with guns in their hands, and another at the plow or at a factory machine. In this part of the Serbian region, there are no political parties, and everybody is together in the defense of Baranja.

Truce Violations Reported in Hercegovina Region

AU2201172892 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Dragan Mihovic report]

[Excerpt] According to an official announcement, there have been new incidents on the Hercegovina battlefield.

The official information of the Second Operations Group mentions three sites. Machine-gun fire was opened at the units of the Yugoslav People's Army from the Srdj hill, above Dubrovnik, at 1820. At 1900, two speed boats from the Croatian side tried to come closer to the coastline at Stara Mokosica. Two mortar bombs were also fired at the Yugoslav People's Army units from the direction of Nunciata, the old part of Dubrovnik.

On this occasion, the command of the Second Operations Group sent a harsh protest to UN representatives controlling the truce stationed in Bileca. It is said in the announcement that the units of the Second Operations Group have had no losses or any other consequences. [passage omitted]

SDS Leader Calls For Serbian Federation

AU2201161692 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Text] The guest of today's *On The Cover Page* program of the second channel of Belgrade Radio was Radovan Karadzic, president of the Serbian Democratic Party [SDS]. For this newscast, we excerpted a part in which Karadzic is explaining why he believes that EC intentions to fragment the Serbian nation on this territory should be responded to with preparations for a union of Serbian states:

[Begins Karadzic recording] In this case, and not only in this case, we would have to show our teeth to the whole world, to say that we have had enough. We will not give you any more at any price. It is not the first time that you have blackmailed us; we will defend ourselves, and we will no longer tolerate the destruction of the motherland. I believe that Europe, in particular, would give up, because they will continue trying to destroy us unless we show our teeth; but once we have shown our teeth, they will give up, as they do not feel like starting a European or world war because of the Serbs.

Therefore, our option in such a case envisages that the Serbian regions in former Croatia, the Serbian regions in Bosnia-Hercegovina—which would nevertheless be preserved somehow—and Serbia, form a sort of federation and perhaps form a confederation with others—be it Macedonians or Muslims—anyone who wishes to do it.

In any case, we, the Serbs, are at a turning point. We have spent two centuries fighting for our motherland and freedom, and now there really is no reason for desertion or for any sort of false love for peace. We are in favor of peace, but not to the detriment of Serbia, the Serbian nation and Serbian state, and the Serbian issue in the Balkans as a whole. [end recording]

Referendum 'Will Resolve Nothing'

LD2301134992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1144 GMT 23 Jan 92

[Text] Sarajevo, 23 Jan (TANJUG)—A referendum by President of Bosnia-Hercegovina Alija Izetbegovic will resolve nothing, said Radovan Karadzic, president of the Serbian Democratic Party [SDS] of Bosnia-Hercegovina, at a news conference in Sarajevo today.

Serbs will not discuss sovereignty of an independent and internationally recognized Bosnia-Hercegovina, as that would mean national subordination.

Dr. Radovan Karadzic said that Bosnia-Hercegovinian Serbs would take part only in a referendum on the transformation of Bosnia-Hercegovina and as a means to reiterate the people's will. In this context, Karadzic stressed that talks, or rather a conference on Bosnia-Hercegovina, had resumed between the three national parties. According to Karadzic, a proposal was made at the conference to transform the republic and to endorse the sovereignty of all three nations. The talks are moving in this direction. Muslim representatives are expected to accept the proposal, Karadzic said.

In reference to a session of the republic's assembly tomorrow, Karadzic said that not all Serb delegates will take part. The Serbs would be represented by a delegation whose size is yet to be decided.

Dr. Karadzic said that the Serb nation in Bosnia-Hercegovina had decided to remain in Yugosalavia. This can not be changed, especially not as a result of a referendum as conceived by Alija Izetbegovic. He must know that there is no chance that the Serbs will accept such a Bosnia-Hercegovina. This is an option threatening the Serbian nation and, as such, is war-oriented, Karadzic said.

During the news conference, Dr. Radovan Karadzic spoke vehemently against BORBA. A statement has also been issued by the SDS in connection with the same. The SDS president stressed that newspapers such as SLOBODNA BOSNA [FREE BOSNIA], VOKS and AS are inciting Muslims against Serbs in this republic. because Serbs have refused to accept a unitary Bosnia-Hercegovina, these papers have been slinging mud at prominent Serbs and inventing affairs about profiteering among the SDS and its leading officials.

Dr. Biljana Plavsic, member of the Bosnia-Hercegovina Presidency, made reference to a report by Yutel last night on the presence of Croatian Party of Rights members in western Hercegovina. In the light of the last night's report, how could Ejup Ganic, another member of the Bosnia-Hercegovina Presidency, state recently that the Yugoslav People's Army is inventing the existence of paramilitary formations in western Hercegovina and that he has seen for himself that the people of western Hercegovina are not armed, Plavsic asked.

Democratic Action Party's Ajanovic on Referendum

AU2201164392 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Text] One must decide about the question for the coming referendum in Bosnia-Hercegovina through interparty decision and consensus, and 1 March has been mentioned as its possible date. This was said at the regular news conference held at the headquarters of the Party of Democratic Action. Here is Ljubomir Nikolic reporting from Sarajevo:

[Nikolic] Irfan Ajanovic, member of the Main and Executive Committee and the new spokesman for the Party of Democratic Action, told reporters today that by the day after tomorrow, party leaders will be trying to coordinate views about formulating the question to be asked at the referendum on the status of Bosnia-Hercegovina. What is acceptable to us is that citizens should state whether they are in favor of an independent and sovereign Bosnia-Hercegovina that can join an association of independent states. I say association, and I am not and will never again mention Yugoslavia, Ajanovic said. In (?his) personal opinion, the referendum can be held on 1 March, and all preparations can be made by then.

Ajanovic says he believes in the success of the voting of the citizens of Bosnia-Hercegovina and adds that it is technically feasible to establish the results of the referendum according to nationalities.

Regarding the negotiations between the Serbian Democratic Party and the Croatian Democratic Community, and the latest statements by Franjo Tudjman about the division of Bosnia-Hercegovina, Irfan Ajanovic said today that Milosevic and Tudjman are making decisions behind the backs of those concerned, with a view to hiding the consequences of the mad war. Members of the Party of Democratic Action are of the opinion that Milosevic and Tudjman and their advocates in Bosnia-Hercegovina are working to the detriment of their peoples, and the division of the republic is not in the interest of these peoples. This is not 1939, with the agreement such as the one between Cvetkovic and Macek [agreement signed in 1939 between Dragisa Cvetkovic, minister in the Yugoslav Government, and Vladimir Macek, prominent Croatian politician, in an attempt to divide power in Yugoslavia between Serbian and Croatian politicians]. The Muslims will simply not allow that to happen, Ajanovic said. Nevertheless, they will allow for the possibility of changing internal borders, but of this being done in a peaceful way and with the consent of all peoples living here.

Commenting on the Serbian Government's proposal on the need for an agreement between the governments of four republics—Serbia, Montenegro, Bosnia-Hercegovina, and Macedonia—it was said in the headquarters of the Party of Democratic Action that an agreement is possible and necessary, but only to solve economic problems, because it is in this republic's interest to settle its relations with Serbia and Macedonia in this area. However, regarding a solution to the political crisis, this must be done together with the representatives of Croatia and even of Slovenia. The stand of the Party of Democratic Action on Bosnia-Hercegovina, as a state of three equal and state-founding nations, was reiterated today, along with the remark that the Serbian people are not a minority in this republic.

Paraga Demands 'Aggressor' Withdraw From Bosnia

AU2201214192 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 22 Jan 92

[Text] At the end of last week, the Croatian Justice Party organized a meeting in Tomislavgrad. The meeting discussed the situation in western Hercegovina and the volunteer units of the Croatian Armed Forces that are active in Hercegovina. After the meeting, which was also attended by party president Dobroslav Paraga, our correspondent Josip Teslic talked with Paraga about the HOS [Croatian Defense Alliance] on the territory of western Hercegovina.

[Begin recording] [Teslic] The place of the conversation is unusual—a corner in the completely full hall of (?Tomislav) Hotel (?amidst) a dozen of Dobroslav Paraga's bodyguards appropriately dressed in HOS uniforms. We are starting our conversation with a talk about HOS. It is being claimed that 16,000 in western Hercegovina are armed and in the ranks of HOS. How much of that is true, and what are the aims of HOS in western Hercegovina?

[Paraga] I can say that the number of HOS members is far greater, but they are not all actively included in the formations defending individual communes on the territory of Hercegovina and Bosnia. They are now part of a—what should one call it—reserve unit. (?According to records), their number is even larger than the one officially mentioned. It is our important task at this moment to form as many units as possible that would, along with territorial defense, for instance—which currently does not function at all—but [words indistinct] chances for adapting combat forces for the defense of this region and [words indistinct] Bosnia-Hercegovina, because we do not see [words indistinct] from this situation apart from military [words indistinct]. There is no political solution or offer apart from imposing greater Serbian will by force, and we absolutely do not want—neither Croatian people nor Muslims in Bosnia—to accept this.

I am particularly glad to see in (?eastern Bosnia) that people who are particularly threatened there turn to my party and believe in its program, and that we have a mass influx of Muslims into the Croatian Justice Party. This is particularly to be welcomed, because we are putting our words into deeds, and we have remained true to our word as regards the defense of this region from the aggressor from the other side of the Drina river. It is our aim to make the aggressor go back to his original starting point, to the territory of Serbia proper, which is in fact the Serbian state.

[Teslic] In your opinion, is it realistically possible for Bosnia-Hercegovina to be part of Croatia?

[Paraga] Not only is it possible, but it will certainly be realized. There is no doubt about that whatsoever. (?Non-) Croatian population, that is, the population not indigenous to this region. [as heard] Let us be precise and

talk in percentages: 80 percent of Croats and Muslims who live on the territory between the Sutla and the Drina rivers are connected by destiny, by religion and history, and cannot be divided except by sheer force and occupation, such as the one that has been in place on these territories for more than 70 years already.

What I advocate is a division from Serbia. The occupier should return within his borders and Belgrade should abandon non-Serbian regions. However, we are also ready for this other option of being forced to solve the conflict through war. Of course, this war is not aimed at occupying Serbian territories, but certainly toward liberating Croatian territories (?in these regions) within the Croatian state that is contained in our program. [end recording]

Division of Republic Urged To Avoid Bloodshed

92BA0328C Belgrade NIN in Serbo-Croatian
27 Dec 91 p 15

[Article by Lidija Soldo: "Collapse of Bosnia"—first paragraph is NIN introduction]

[Text] Partition is unavoidable, regardless of whether it is between two or three successors. The role of the JNA [Yugoslav People's Army] as the guarantor of peace is weakened by the fact that the Assembly of the Serbian nation in B-H [Bosnia-Hercegovina] has already called on the army to defend the borders of Yugoslavia in that republic....

Reality inexorably confirms the inevitability that Bosnia-Hercegovina will share the fate of AVNOJ [Anti-Fascist Council of People's Liberation of Yugoslavia] Yugoslavia. B-H exists, but is no longer there just like Yugoslavia. Torn between two state concepts—an independent B-H on the one hand and the federal remnant of Yugoslavia on the other hand—it has been inched closer to the edge of the scissors that will split it asunder, apparently with tragedy and bloodshed for all its inhabitants.

What is this, and why is it more important to Izetbegovic, Karadzic, and Kljuic than peace and the lives of the people whom they lead? Izetbegovic is the Bosnia-Hercegovinan Slobodan Milosevic. Thus, a sovereign and independent B-H at any price. Incidentally, if Alija had been such a passionate supporter of Yugoslavia, it is possible that our reality today would have been very different. If on some occasion he had agreed to a Yugoslavia without Croatia, this would have been a significant step in affirming the Muslim nation. Because then the Muslims would have constructed a state on equal footing for the first time. However, he was enticed by a tastier morsel at the other end of the "Yugo dinner table"—a state in which Muslims would be the majority nation. And that is a much more significant step.

Izetbegovic and his mentors were good at calculating—they had to wait for the moment when it would appear that independence had been thrust upon B-H as the only solution. Close contacts and synchronized cooperation with the leaders of Croatia, Slovenia, and other authors of variations for the disintegration of Yugoslavia into six states allowed the SDA [Party of Democratic Action] and Izetbegovic to be ostensibly neutral. In order to be ready to welcome that moment—which came with the EC's invitation for applications from new states—he had to convince the Muslim nation that any option for staying behind "alone with Serbia in one state" would mean penal servitude and oppression.

Completion of Plan

The real balances of power on the Yugo-front indicate that Izetbegovic is at a dangerous crossroads. He could become the most important Muslim in the history of his nation, but he could very easily dig its grave as well. The variant with the "blue helmets"—which were supposed to play the role of guardian of the B-H borders and of peace there—has fallen through. Calling for wartime support from Turkey and the "Islamic world" is not very realistic. Croatia and its citizens have paid a high price for this type of mistake concerning foreign intervention. And Izetbegovic's contention that as many as 80 percent of all Bosnians and Hercegovinans want a sovereign and independent B-H has no basis in reality.

Just as Milosevic long failed to recognize that he could not preserve an integral Yugoslavia in accordance with his vision, Izetbegovic too does not recognize that there cannot be an integral B-H without the blessing of the "Serbian side." Especially not if Dr. Tudjman says that if the Serbs take over the Serbian parts of B-H, then Croatia will annex its territories in that republic. From day to day, the agreement between Karadzic and Kljuic is become more and more realistic.

"After everything that has happened," Dr. Zdravko Grebo told NIN. "we will either have a bloody war here or B-H will cease to exist. I would like for B-H to remain as an integral whole, but that is no longer possible. At the moment when it became clear that nothing other than a national political program has any realistic chance, it also became clear that B-H does not have to exist in this projection. What is happening now is only the completion of the plan. I do not want to speculate about whether a territorial partition was intentionally built into the coalition agreement between the SDA, HDZ [Croatian Democratic Community], and the SDS [Serbian Democratic Party], but it was probably clear to everyone from the outset that simply accepting that sort of thing would inevitably have these consequences. It is also significant that B-H is falling apart according to the same pattern as Yugoslavia.

"I am one of those people who believe that there will be a Yugoslavia again some day. It does not exist now because there are no civilian institutions on the level of the federation. States do not disappear by force. The fact that we have lived in the same state for 70 years is not a mere fantasy, nor was it a dictate by Versailles or a capricious Europe. B-H had the chance to preserve its

memory of this possible integration. It did not manage to maintain that which, in my opinion, was its historical mission. If we are fortunate enough to preserve peace in B-H, then it will be at the price of B-H no longer existing," says Dr. Grebo.

War for Borders

The identical nature of the fate of Yugoslavia and B-H is also reflected in the war for borders. Can Izetbegovic, Karadzic, and Kljuic, as official masters of the B-H people, reach an agreement peacefully? With difficulty. In the areas that the SDS has already "captured" (the six SAO's [Serbian Autonomous Regions]), nearly 40 percent of the population is non-Serb! And the same percentage of Serbs lives in the territory of the "Sarajevo pashaluk." As it appears right now, the ambitions of the SDS and of the HDZ are focused on keeping "Alija's state" from growing even by as much as a few tennis courts.

Milosevic underestimated Tudjman and Kucan (or their European mentors), and Izetbegovic has underestimated Karadzic. To make his troubles even worse, it appears that he put too much faith in Kljuic and his masters. However, neither Karadzic nor Kljuic, and especially the Bosnians and Hercegovinans, have any reason to sleep peacefully. Because war would be a tragedy for all of them. With no winners and no losers, but with many Vukovars....

All three sides in the Bosnia-Hercegovinan conflict have based their positions on provoking "their nation's" fear of the others. This ominous and destructive mistrust must be eliminated if there is any desire for a peaceful solution.

Some analysts believe that the JNA could be the guarantor of peace in B-H until that republic is divided up. Even if Izetbegovic agreed to have B-H enter into a federation with Serbia and Montenegro, the Croatian side would then break off "its B-H territory." Partition is inevitable, regardless of whether it is between two or three successors. The role of the JNA as the guarantor of peace is weakened by the fact that the Assembly of the Serbian nation in B-H has already called on the army to defend the borders of Yugoslavia in B-H.

B-H is too small to satisfy the appetites of the programs of the three predominant movements. Things have gone too far for promises, so that the possibility of a compromise is just as remote. Whether the national leaders want to sacrifice the Bosnians and Hercegovinans for the sake of new states set aside for them is a dilemma that would by necessity engender rebellion by the potential victims. Because they have nothing to lose. The Bosnians and Hercegovinans have already lost one state—Yugoslavia. Now they are about to lose another—Bosnia-Hercegovina. Do they not deserve to keep at least their lives?

Montenegro

Parliament Approves Public Debate on Sovereignty

LD2201152292 Belgrade TANJUG in English 0339 GMT 22 Jan 92

[Text] Titograd, Jan 22 (TANJUG)—The parliament of Montenegro ruled early this morning that the question of a referendum on the political and state status of this Yugoslav republic should be put to public debate for a month. After thirteen hours in session, parliament decided that the public debate should furnish answers to the questions of whether to organize a referendum at all, how to organize it and what questions to ask.

The ruling Democratic Party of Socialists (former communists) proposed that the referendum ask the question: "Are you in favour of Montenegro, as a sovereign republic, continuing to live in a common state and on the basis of complete equality with the other Yugoslav republics that should wish to do so?"

The opposition parties mainly disagreed with the question in this form. Most opposition deputies maintain that the referendum in Montenegro is being planned in indefinite circumstances and stress that it carries great risks and uncertainty.

Macedonia

Republic's Withdrawal From Federation Discussed

AU2201170892 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 22 Jan 92

[Boris Djordjioski report from Skopje]

[Text] The removal of two articles from the constitutional law of Macedonia, Articles 11 and 12, ends the participation of this republic in the work of federal organs and bodies. Delegates from the chambers of the SFRY Assembly have been recalled. The same applies to the member of the SFRY Presidency whose term of office has ended.

The Constitutional Commission of the Macedonian Assembly—and this was done by the Macedonian Government today—did not give the green light to the removal of the article of constitutional law that envisages that Yugoslavia's diplomatic and consular missions and cultural information centers represent Macedonia's interests abroad. This article will remain until Macedonia sets up its own diplomatic service.

However, the government has decided to recall all Macedonian diplomatic staff. This decision refers to the diplomatic and consular representatives in the Federal Secretariat for Foreign Affairs, whether they work abroad or at home. Thus, 101 people are returning to

Macedonia. Continuing to accept the Yugoslav diplomatic service and recalling Macedonian diplomats resembles the proverb, to have your cake and eat it.

It is also demanded that all sports clubs from Macedonia stop competing in the Yugoslav divisions and in the national teams. The government says that this decision will be made at the next session, but stresses that the wish of the Macedonian sportsmen has so far been somewhat different. They want to continue to compete in the Yugoslav divisions and take part in the Yugoslav national teams. However, the government could not give the exact date when Macedonia will recognize Slovenia and Croatia, nor when these two republics will follow suit. The recognition of these two republics was demanded by the deputies of the VMRO [Internal Macedonian Revolutionary Organization] who said that these two states could represent Macedonia's interests abroad, rather than the so-called or alleged former Yugoslavia.

Slovenia approached Macedonia last October proposing that the two republics recognize each other. Macedonia did not respond to Slovenia's proposal at that time. It is known, but this was not mentioned in the Assembly today, that Slovenia is now leaving Macedonia to stew in its own juice because it did not consider its proposal at that time. Therefore, the date of mutual recognition for Macedonia, Croatia, and Slovenia remains unknown.

Papers Claim Republic 'Rapidly Building' Army

LD2301125592 Belgrade TANJUG in English 1135 GMT 23 Jan 92

[Text] Belgrade, Jan 23 (TANJUG)—The independence-seeking Yugoslav Republic of Macedonia is rapidly building up its own armed forces, and has "entrusted Bulgaria with the training of its future officer corps," the Belgrade daily POLITIKA writes, citing "reliable sources."

The daily says the officer corps is the weak link in the armed forces being formed by Macedonia, as few Yugoslav People's Army (JNA) officers of Macedonian nationality responded to the republican government's appeal for defection to Macedonia's own military.

The formation of Macedonia's national army began immediately after the republican minister for national defence was replaced two months ago, the daily writes.

Special army training camps are already operating, the daily says, quoting reliable sources as saying that one such training centre is located on Mount Pelister near Macedonia's border with Albania.

The Yugoslav Republic of Macedonia is seeking full independence—its parliament has already proclaimed Macedonia's independence and asked for its international recognition. So far Bulgaria has been the only country to recognize Macedonia, although Sofia denies the very existence of a Macedonian nation.

The Belgrade daily BORBA writes that Macedonia's Defence Ministry is "busily recruiting and mobilizing forces to protect its 620 kilometres of borders with Bulgaria, Greece and Albania, and the new 230-kilometre-long frontier with Serbia."

According to BORBA, the Macedonian leadership is counting on a future army with a strength of between 25,000 and 30,000 troops, and the military's expenditure is already foreseen in the republic's 1992 budget.

The daily claims the JNA has "for some time been systematically pulling out of Macedonian territory."

BORBA quotes unofficial sources as saying Macedonian President Kiro Gligorov met last Wednesday with Nikola Uzelac, the commander of the JNA's Third Army District (which covers Macedonia), and that both sides expressed readiness for negotiation and tolerance.

Bulgaria To Educate Officers

AU2201214692 Belgrade Radio Belgrade Network in Serbo-Croatian 2100 GMT 22 Jan 92

[Text] According to the 23 January issue of POLITIKA, Macedonia is rapidly creating its own army. It is known for certain that the training camp is in Pelister. POLITIKA has learned from reliable sources that Bulgaria was given the task of educating the officers of the future Macedonian army.

Gligorov, Bocka Discuss Interstate Cooperation

AU2301122192 Skopje Radio Macedonia Network in Macedonian 2100 GMT 22 Jan 92

[Text] Macedonian President Kiro Gligorov today received Albanian Foreign Affairs Minister Ilir Bocka, who is on a two-day working visit to the republic.

In their talks, opinions were exchanged on current international issues, the changing processes in the Balkans, and the question of the development of mutual cooperation. It was assessed that, in this respect, cooperation between Macedonia and Albania should be intensified in all areas, in the spirit of good neighborliness, mutual understanding, and respect, and in the interests of the Albanian and Macedonian people.

Minister Ilir Bocka particularly pointed out the contribution that Macedonia has made to the preservation of peace in the region and to the stabilization and democratization of relations in the Balkans. Republican President Kiro Gligorov expressed the belief that the development of relations between Macedonia and Albania would be an example of the irreversible process of democratization in the Balkans and the Balkan countries' more rapid inclusion in European integration processes.